



UTAH SYSTEM OF
HIGHER EDUCATION

ISSUE BRIEF

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Calla Hoover

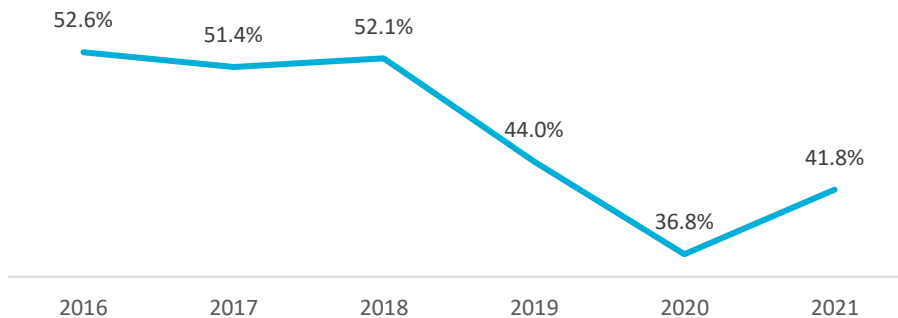
FAFSA Completion in Utah

Federal financial aid was established under the Higher Education Act of 1965. Since then, changes to the act have increased funding and expanded eligibility for students accessing federal financial aid. As of 2019, 83.5% of first-time, full-time undergraduates received some kind of financial aid.¹ While the distribution of federal financial aid has expanded over the last 60 years, untapped financial resources remain every year because students fail to fill out the Free Application for Federal Student Aid.

Since the mid-2000's, the Utah System of Higher Education and the Utah Higher Education Assistance Authority have assumed an active role in supporting FAFSA completion by developing educational resources for students, facilitating training for college access professionals, collaboratively hosting FAFSA completion events with schools and communities, and supporting the expansion of the Utah College Advising Corp). Existing state programs from USHE, UCAC, and Keys to Success continue to help educate student populations on the benefits of applying for financial aid; however, less time has been devoted to researching current Utah college students in the financial aid landscape. A better understanding of the existing needs of Utah's unique student population may guide Utah policymakers to make more informed decisions.

Figure 1

USHE percent student FAFSA completion rates



Over the past six years, the percentage of students enrolled at Utah colleges who have completed a FAFSA application has noticeably declined. This trend warrants further investigation as financial aid awards have

¹ NCES IPEDS Trend generator. (n.d.). Retrieved October 26, 2021, from <https://nces.ed.gov/ipeds/TrendGenerator/app/answer/8/34>.

been shown to increase academic persistence² and completion rates.³ In addition, research has indicated that affordability increases rates of enrollment for recent high school graduates.⁴ FAFSA completion is a gateway to accessing many types of financial aid and is integral to increasing affordability for USHE students.

Methodology

The following evaluation utilizes data from two sources:

1. USHE: Student-level data for the 2016 to 2021 academic years containing only U.S. citizens seeking a degree or certificate.
2. Institutional Student Information Records (ISIR): FAFSA application data.

Data sources were combined by matching students' social security numbers and selecting various demographic characteristics that are collected in either ISIR or USHE databases.

Gender

Nationally, female students complete more FAFSA applications than their male counterparts.⁵ This may be due to more females enrolling in higher education than males.⁶ A similar gender distribution holds true for Utah financial aid applicants with a higher female application rate. Research has shown that first-generation, lower-income, white, male students are the least likely to apply for financial aid, which may be contributing to the growing gender gap in the completion of FAFSA applications.⁷

² Arendt, Jacob Nielsen. (2013). The effect of public financial aid on dropout from and completion of university education. *Empirical Economics*, 44(3), 1545–1562. <https://doi.org/10.1007/s00181-012-0638-5>

³ Dynarski, Susan M. (2003). Does aid matter? *The American Economic Review*, 93(1), 279–288. <https://doi.org/10.1257/00028280321455287>

⁴ Abraham, Katharine G, & Clark, Melissa A. (2006). Financial Aid and Students' College Decisions: Evidence from the District of Columbia Tuition Assistance Grant Program. *The Journal of Human Resources*, XLI(3), 578–610. <https://doi.org/10.3368/jhr.XLI.3.578>

⁵ *FAFSA Data by Demographic Characteristics 2019-2020 Application Cycle*. Federal Student Aid. (n.d.). Retrieved October 26, 2021, from <https://studentaid.gov/data-center/student/application-volume/fafsa-school-state#fafsa-data-by-demographic-characteristics>.

⁶ National Student Clearinghouse Research Center (2020) *Current Term Enrollment Estimates Fall 2020* [Table 8]

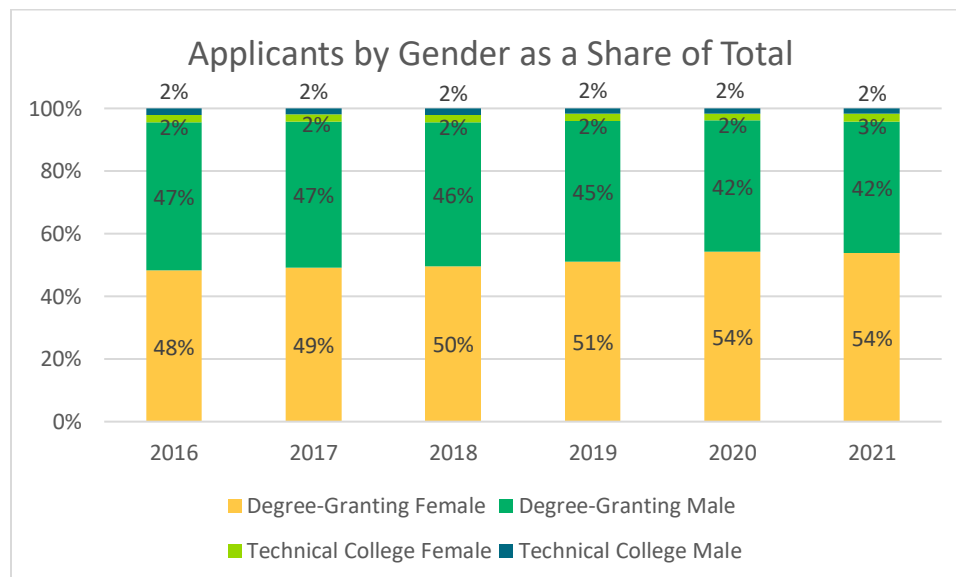
⁷ Lovenheim, M. and Owens, E., 2014. Does federal financial aid affect college enrollment? Evidence from drug offenders and the Higher Education Act of 1998. *Journal of Urban Economics*, 81, pp.1-13.

Figure 2

FAFSA completion trend by gender



The gender disparity in FAFSA applicants has widened over the time studied. This shift aligns with rates of FAFSA applications that are more consistent with national trends. Despite the increase in the share of female FAFSA applicants for both degree-granting and technical colleges, the share of male FAFSA applicants from technical colleges as a percentage of the total has remained constant for the years studied. Female technical college FAFSA applicants as a percentage of the total have risen slightly, and female applicants at degree-granting colleges have risen substantially. However, male FAFSA applicants from degree-granting colleges as a percentage of the total have fallen proportionally.



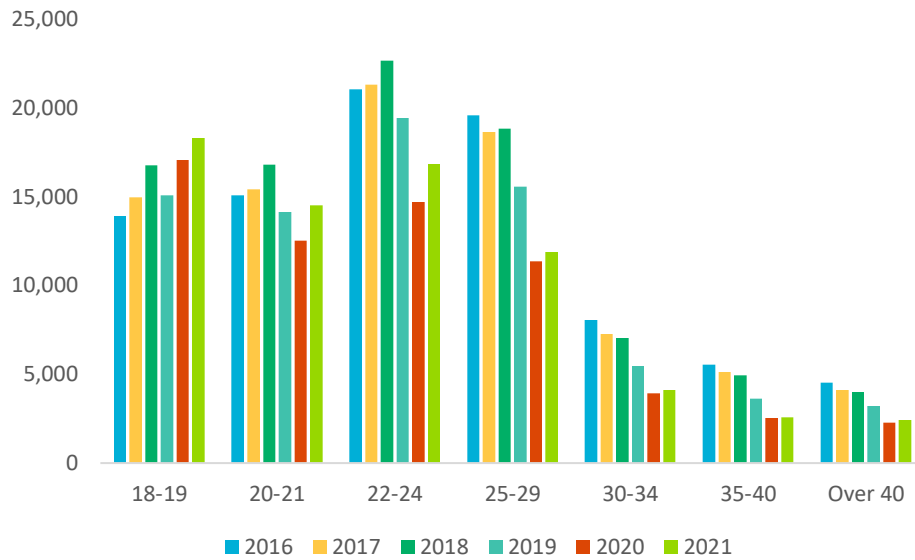
For technical colleges, the gender disparity in FAFSA applicants has remained fairly consistent since 2016, but the gap began to widen for FAFSA applicants attending degree-granting institutions in 2019. The shift in FAFSA completion rates for students attending Utah's degree-granting colleges aligns more consistently with national rates than years previous to 2019.

Age Groups

The age range of students at Utah institutions indicates an age-diverse population. FAFSA completions in the 18-19-year-old age range have trended upward since 2016, while FAFSA completions in all other age groups have trended down. Completions of the FAFSA appears to peak in the 22-24 age range. Across all age ranges, FAFSA completion has increased from 2020 to 2021.

Figure 3

FAFSA completion trends by age

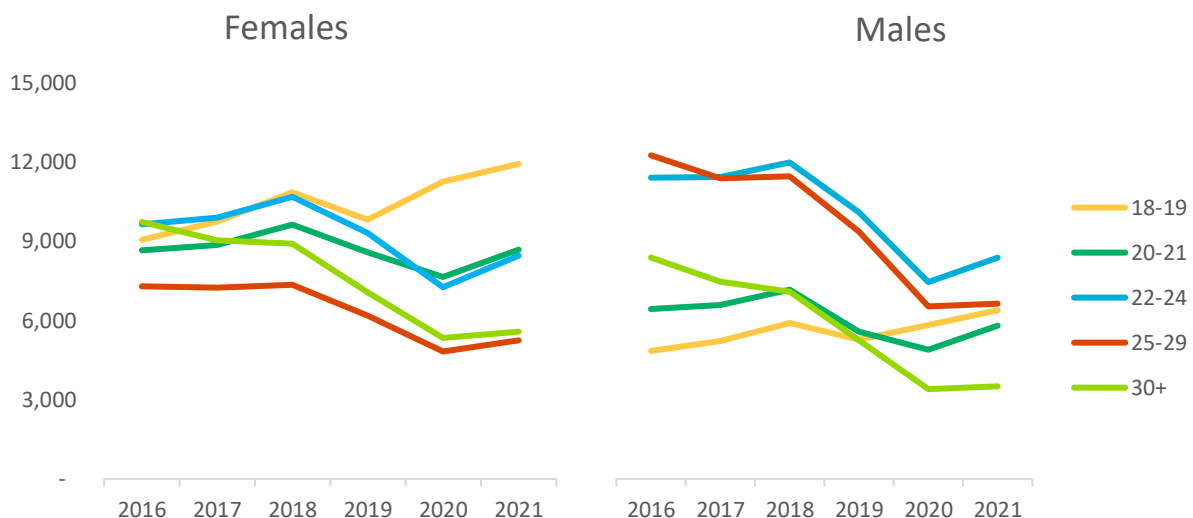


Age and Gender

Looking at both age and gender may further explain some of the variations in FAFSA completion trends. Female FAFSA completion rates exceed male FAFSA completion rates up to the 22-24 age group. This may be explained by the ages at which young men in Utah typically serve an ecclesiastical mission. Trends indicate that male FAFSA filers are more likely to file starting at the 22-24 age group than earlier in their lives, suggesting that male students start their education later than female students or file the application for federal aid later in their educational career.

Figure 4

FAFSA completion trends by gender and age

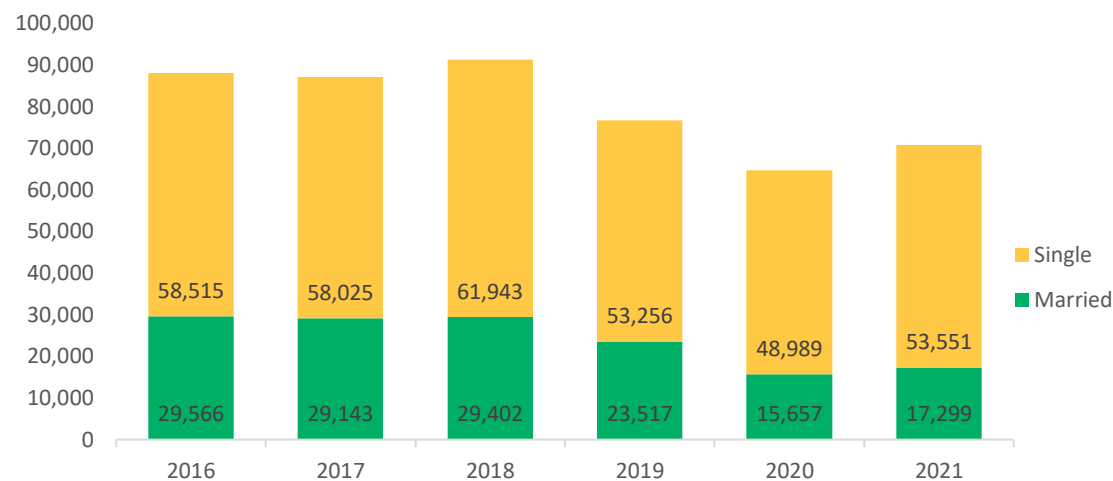


Marital Status

Utahns have a lower median age at first marriage than the national average—26.7 for men and 24.8 for women.⁸ It is likely more students at Utah colleges are married, making students' marital status of particular interest when analyzing FAFSA applications. Students who marry while in college can adjust their dependency status when applying for FAFSA—something restricted for single students until they are 25 years old. Dependency status is a determining factor in the amount of financial aid students receive. From 2016 to 2021, the percentage of married filers shrunk from 33.6% to 24.4%, with 2020 having the lowest percentage (24.2%) of married filers.

Figure 5

FAFSA completion trends by marital status



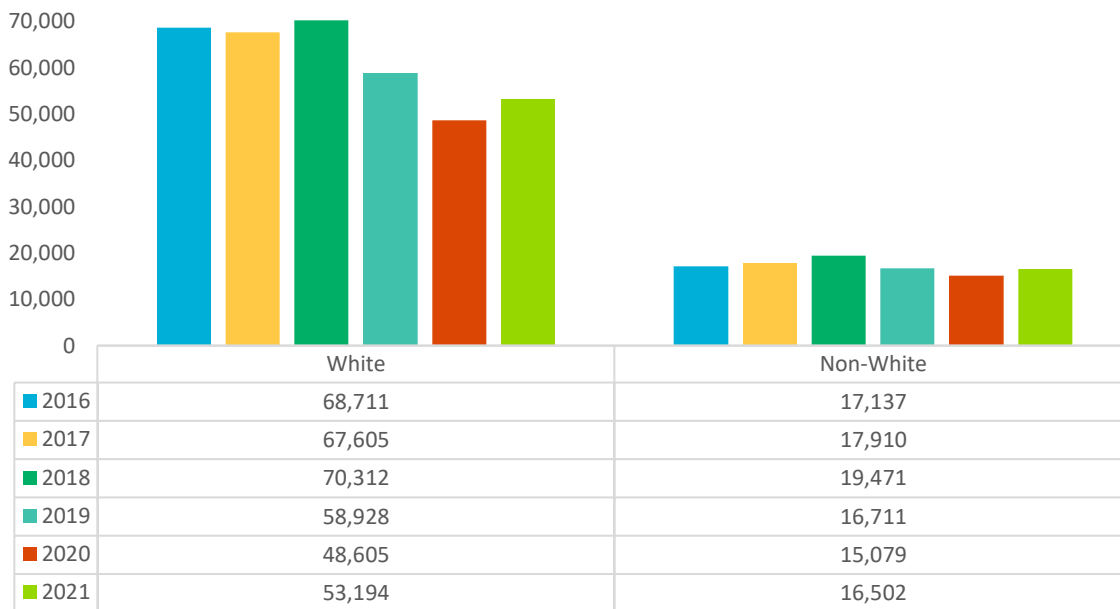
Race/Ethnicity

The majority of FAFSA completers in Utah were white students. This representation decreased across all six years, ranging from 78% in 2016 to 75.1% in 2021, indicating a steady increase in the percentage of non-white students applying for financial aid. The total amount of non-white students applying for financial aid has fluctuated little in the years analyzed, indicating that the increase in the percentage of representation is due to a decrease in white students applying for financial aid. Despite this, both white and non-white students share a similar trend, indicating that extrinsic factors may be impacting both subsets similarly, though more dramatically for white students.

⁸ US Census Bureau. (2009). ACS 1-year Estimates Detailed Tables. B12007. Retrieved from <https://data.census.gov/cedsci/table?q=median%20age%20at%20marriage%20in%20utah&tid=ACSDT1Y2019.B12007>
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Figure 6

FAFSA completion by race/ethnicity

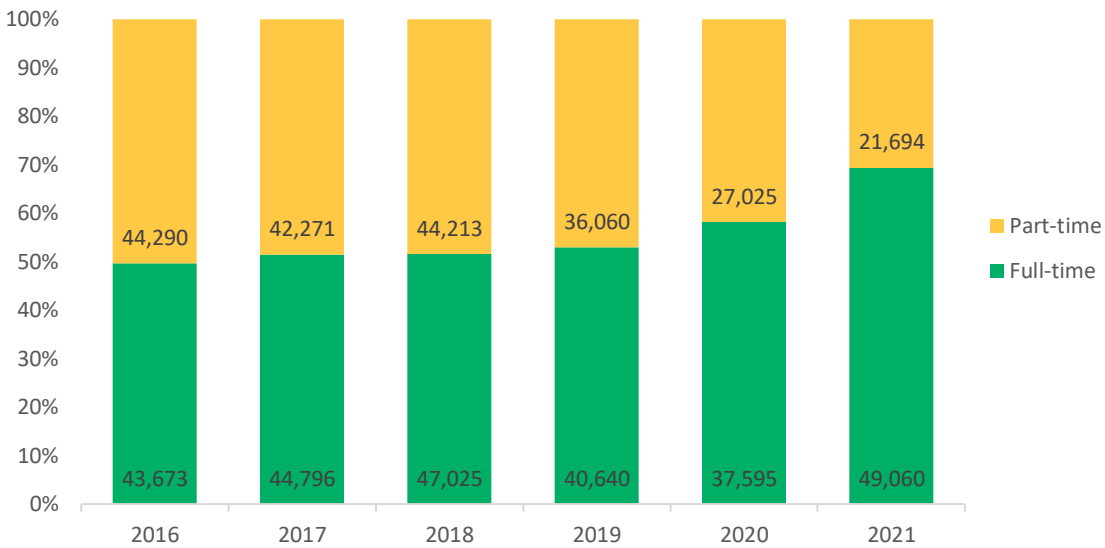


Full-Time/Part-Time Status of Completers

Both full-time and part-time students are eligible for federal financial aid. A student considered *full-time* must be enrolled in 12 credit hours per semester for undergraduate students and nine credit hours per semester for graduate students. Students enrolled in fewer credits are considered *part-time*. Rates of FAFSA completion were distributed almost evenly between part-time and full-time students until 2019. Since then, rates of part-time students applying for FAFSA have been declining. Part-time students qualify for a smaller portion of aid as opposed to full-time students, so there may be more effort devoted to helping full-time students apply for aid.

Figure 7

FAFSA completion trend by status

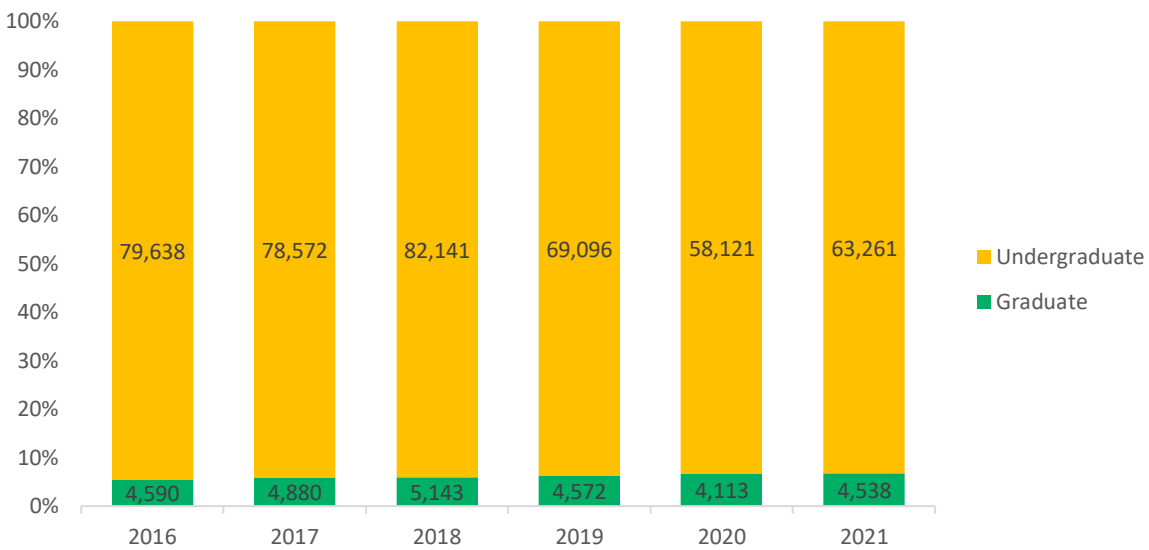


Undergraduate/Graduate Completers

In Utah, the share of students completing the FAFSA is made up predominantly undergraduate students. In 2016, graduate students accounted for 5.4% of FAFSA completers. That number rose slightly over subsequent years to 6.7% in 2021. The total number of graduate FAFSA filers was the lowest in 2020, but the number of filers appears to remain around 4,500 applicants. For the 2021 academic year, degree-granting institutions had 149,180 undergraduate and 14,437 graduate students. Roughly 42.4% of undergraduate students and 31.4% of graduate students completed the FAFSA in that year. Given fewer graduate students complete the FAFSA than their share of the USHE population of students, further research could be conducted to determine alternative sources students are utilizing to pay for graduate programs.

Figure 8

FAFSA completion trend by level

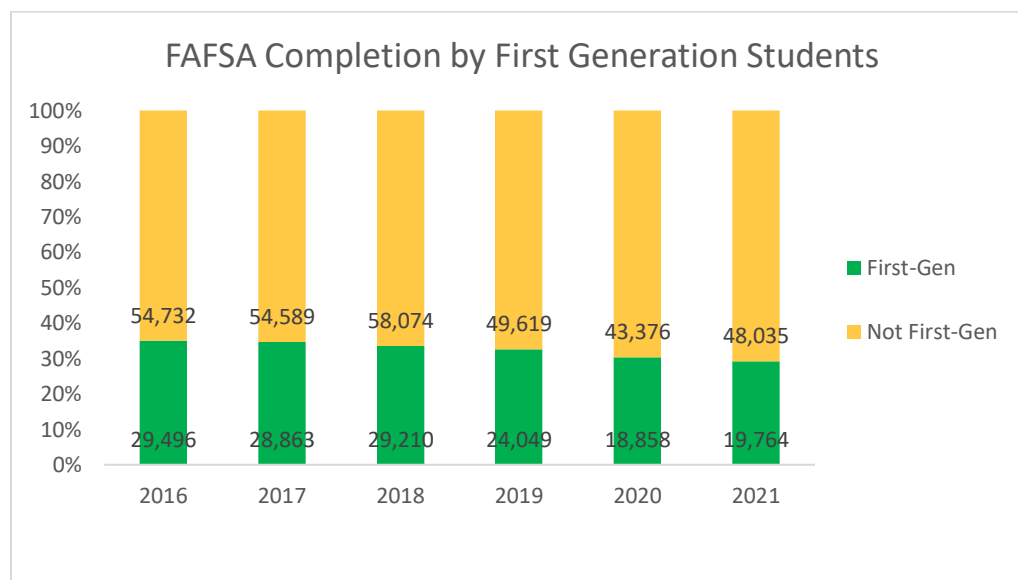


First-Generation Students

First-generation students can experience different financial restraints than their peers.⁹ Some financial barriers can be alleviated by filing for the FAFSA. In Utah, the number of first-generation students completing the FAFSA declined from 2016 to 2021. Over the same time, the total number of students completing the FAFSA also declined. As a result, the percentage of students completing the FAFSA who identify as first-generation declined about 1% per year.

Figure 9

FAFSA completion trend as first-generation students



⁹ Bui, K. V.T. (2002). First-generation college students at a four-year university: Background characteristics, reasons for pursuing higher education, and first-year experiences. *College Student Journal*, 36(1), 3-11. <https://psycnet.apa.org/record/2002-02801-001>
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Institutional sheets

Not only does financial aid benefit students, but financial aid offers appear to provide a competitive advantage to colleges as well.¹⁰ Unsurprisingly, colleges that were able to offer more financial support to students saw stronger enrollment and graduation rates.

All Utah public colleges had at least a 49.5% FAFSA completion rate. With some fluctuation, the overall rate has trended slightly downward between 2016 and 2021. Degree-granting colleges show a more uniform pattern of distribution and have a higher overall rate of completion.

A large part of the disparity in FAFSA completion rates between degree-granting and technical college students is due to the types of programs offered. More programs offered at degree-granting institutions are financial aid eligible compared to technical colleges. In technical colleges, a quarter of programs offered are too short term to qualify for federal financial aid.

Figure 10

Percentage of FAFSA completion by degree-granting institution

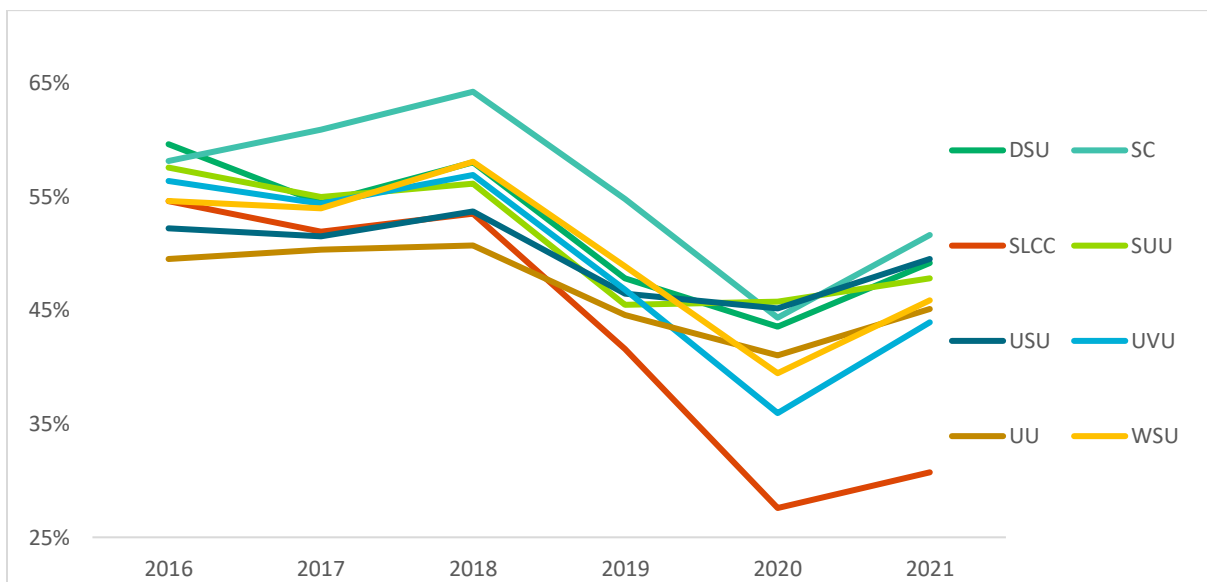
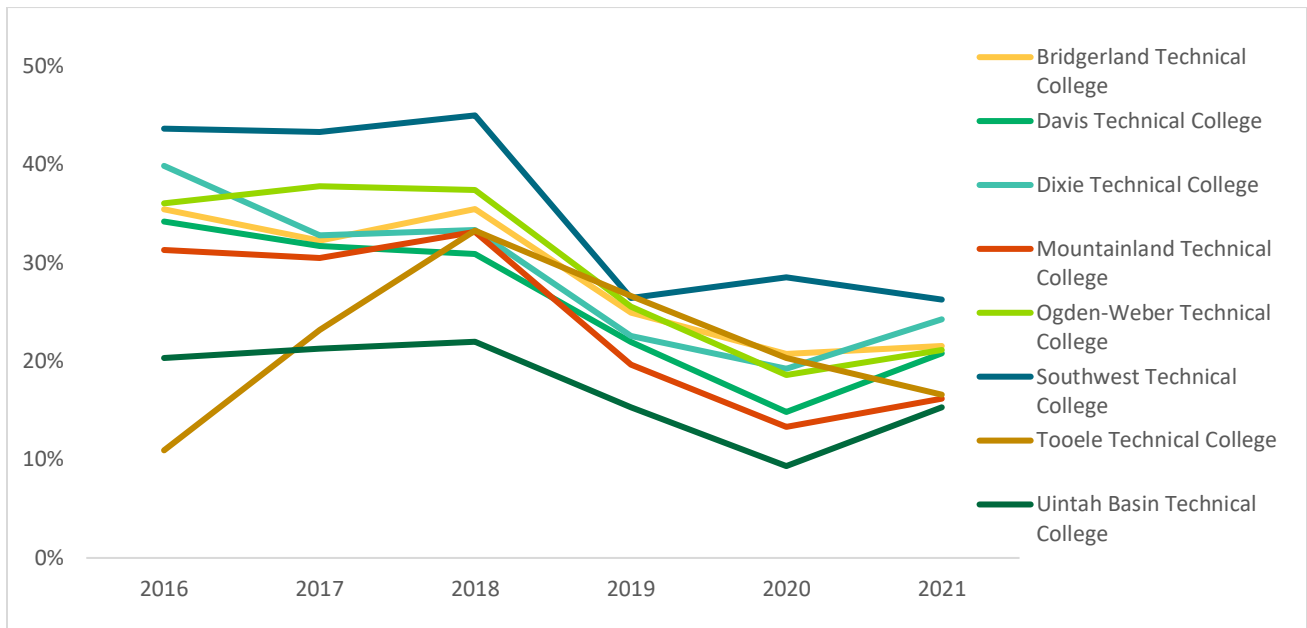


Figure 11

Percentage of FAFSA completion by technical education institution

¹⁰ Wilbert van der Klaauw. (2002). Estimating the Effect of Financial Aid Offers on College Enrollment: A Regression-Discontinuity Approach. *International Economic Review* (Philadelphia), 43(4), 1249–1287. <https://doi.org/10.1111/1468-2354.t01-1-00055>



Implications

FAFSA filers typically have a decreased financial burden, leaving more time to focus on their education while in school. The majority of students in this analysis are between 18-19, white, female, and single. These students tend to finish their programs at higher rates, and students who complete the FAFSA ultimately increase persistence and completion. Every year, federal funds are left undistributed simply because students fail to fill out the FAFSA.

Additional research would allow a deeper understanding of how different student populations are incentivized. Further, identifying complementary support methods may also increase persistence and completion of FAFSA filing.¹¹

¹¹ Evans, William N, Kearney, Melissa S, Perry, Brendan, & Sullivan, James X. (2020). Increasing Community College Completion Rates Among Low-Income Students: Evidence from a Randomized Controlled Trial Evaluation of a Case-Management Intervention. *Journal of Policy Analysis and Management*, 39(4), 930–965. <https://doi.org/10.1002/pam.22256>