Financial Aid and College Access in the Dominican Republic

Researchers:

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Location: Dominican Republic

Sample: 3,000 students

Initiative(s): Post-Primary Education Initiative (PPE)

Target group: Higher education and universities Secondary schools Students

Outcome of interest: Dropout and graduation Enrollment and attendance

Intervention type: Coaching and mentoring Information Scholarships

Underprivileged students in the Dominican Republic face a series of barriers to access post-secondary education. Despite existing scholarship programs, application rates for financial aid offered by the government are extremely low, and poor and rural students are much less likely to apply for and receive financial aid. Researchers partnered with the Ministry of Higher Education to evaluate the role of barriers in higher education decisions and the types of aid that can encourage vulnerable groups to pursue a degree.

Policy issue

In many countries in Latin America and the Caribbean, low-income students attend post-secondary education programs at much lower rates than their peers from wealthier households. To close this gap, some governments provide scholarships to support vulnerable students. Previous education research has identified several potential barriers that students can face when moving to higher education and that financial aid policy can potentially alleviate.

Many students from low-income households need access to grants or loans to be able to pay for their studies and cost of living.[1], However, just covering tuition may not be enough; cash-strapped students may end up spending a lot of time working and do poorly, leading to higher dropout rates. Counseling and support during higher education might play a role in addition to a grant to cover for tuition.[2]

A second source of barriers to reaching post-secondary education relates to the ability to recruit scholarship applicants. Qualifying low-income students may not apply for numerous reasons. Students may not know that financial aid programs exist or may not believe they are strong candidates to receive aid. Students may also be discouraged by even small application costs as well as the overall lack of transparency of the process.

How can scholarship providers recruit vulnerable students? What type of aid is the most cost effective at attracting and retaining students?

Context of the evaluation

In 2013, only 6 percent of higher education students in the Dominican Republic belonged to the lowest 20 percent of the income distribution, while 45 percent belonged to the highest 20 percent.[3] This gap may be driven by a lack of access to financial aid for low-income students. Overall, few eligible students actually apply for financial aid. On top of that, application rates are markedly different for certain group of students. Students from private schools apply 11 percent more than their counterparts from public institutions, and students from urban areas are more likely to apply than students from rural areas.

The government invests heavily in expanding enrollment and improving retainment of talented but underprivileged students in post-secondary education. The Ministry of Higher Education's (MESCyT) initiative leads this effort and annually offers national and international scholarships for undergraduate and graduate degrees. This intervention focuses on the *Becas Nacionales* program that offers local financial aid for undergraduate degrees. The program covers half of the tuition costs of attending higher education, including both vocational and professional degrees.

Operating at scale since 2015, the *Tienes Talento* program sends letters to every student performing in the top 5 percent of the country with information on scholarship applications and encouragement to apply. The intervention tested in this evaluation will be implemented with the poorest 3,000 students eligible for *Tienes Talento*, as defined by the national poverty index.

Details of the intervention

Researchers partnered with the government of the Dominican Republic in an effort to increase the impact and the cost-effectiveness of its financial aid policies. This evaluation will test the impact of informing students of financial aid opportunities, reducing the costs of the application process, and increasing the amount of financial aid provided.

This randomized evaluation is designed in three steps. First, students will be randomly assigned into three groups that will receive different information about financial aid:

- Standard letter (1,350 students): Students will receive the standard Tienes Talento letter. This group serves as the comparison group.
- Letter + Recruitment (1,350 students): Students in this group will receive the same letter, and MESCyT will also contact the student to provide scholarship information along with college application advice.
- Letter+ Recruitment + Intensive Counseling (300 students): In addition to the letter and contact from the MESCyT team, students in this group will also be closely followed by a mentor trained by MESCyT.

In a second step, researchers will assign students to three groups that vary by the intensity of the application process requirements:

- Fast-track (FT) (600 students): Students will be randomly selected and automatically offered a scholarship. In this group, application process barriers are reduced to the bare minimum.
- Scholarship (SC) (600 students): Students will be randomly selected and offered a scholarship conditional on successfully completing the MESCyT application process.
- Comparison (C) (1,800 students): The remaining students will not be offered a scholarship. Students in this group will be allowed to apply and be selected for a scholarship through the standard MESCyT channels.

By comparing the difference in scholarship application rates across treatments FT, SC and C, researchers will assess whether reducing the barriers to applying increases the number of students who apply. Assuming that higher scholarship application rates leads to higher college attendance rates, in the longer term, researchers will also be able measure whether college attendance improves labor market outcomes.

In a final stage, researchers will randomly assign the 1,200 students who will receive financial awards into different scholarships packages that vary in the level of financial support. Students will be randomly assigned into one of the following groups:

- Half Scholarship (600 students) = Student is offered a half tuition scholarship
- Full Scholarship (200 students) = Student is offered a full tuition scholarship
- Full Scholarship +Stipend (200 students) = Student is offered a full tuition scholarship as well as yearly stipend of RD 60,000 (US$1,300) evenly divided in 12 installments.
- Full Scholarship + Counseling (200 students) = Student is offered a full tuition scholarship as well as intensive monthly counseling and student advice on top of the tuition payments.

By comparing educational outcomes across these groups, researchers will be able to measure the effectiveness of different scholarships packages and support in terms of college graduation and time to completion.

Research design:

Table 1. Research design

Step 1	**Step 2**	**Step 3**			
Information	Application process	Scholarship			
		Half	Full	Full + Stipend	Full + Counseling
Standard letter	FT				
	SC				
	C				
Letter + recruitment	FT				
	SC				
	C				
Letter + recruitment + intensive counseling	FT				
	SC				
	C				

Results and policy lessons

Research ongoing, results forthcoming.

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1. Solis, A. (2017). “Credit access and college enrollment.” *Journal of Political Economy*, 125(2),562-622.
Londoño-Vélez, J., Rodríguez, C., Sánchez, F. (2017). “Upstream and Downstream Impacts ofCollege Merit-Based Financial Aid for Poor Students: Ser Pilo Paga in Colombia.” *American Economic Journal: Economic Policy.*

2. Angrist, Joshua, David Autor, Sally Hudson, and Amanda Pallais. 2016.“Evaluating Post-Secondary Aid: Enrollment, Persistence, and Projected Completion Effects**”** *National Bureau of Economic Research*. Working Paper No. 23015.

3. World Bank, 2017