



Aid Like A Paycheck – Project Overview

**Michigan Student Success Network
Lake Michigan College
Quarterly Meeting - April 11, 2014**

Overview

- I. Who is MDRC?
- II. Overview of Aid Like A Paycheck
- III. Aid Like A Paycheck Pilot Findings
- IV. MDRC's Large-Scale Evaluation
- V. Next Steps in Michigan

Who is MDRC?

- MDRC is a national education and social policy research firm with 40 years of experience designing and testing programs and policies to improve the lives of low-income people
- Ten years of partnerships and rigorous research with community colleges across the nation

www.mdrc.org

What is Aid Like A Paycheck?

Aid Like A Paycheck:

- Program
 - Delivers existing financial aid – after tuition and fees – in a new way to help students balance work and school
 - Changes the frequency of financial aid disbursement to every two weeks, like a paycheck
- Research project

Aid Like A Paycheck vs. Standard Disbursements

- Aid Like A Paycheck provides 8 biweekly payments

Possible payments for full time (12+ credits)	Estimate for books & supplies	Week 2	Week 4	Week 6	Week 8	Week 10	Week 12	Week 14	Week 16	Total
Aid Like A Paycheck	\$400	\$297	\$297	\$297	\$297	\$297	\$297	\$297	\$296	\$2,775
Standard	\$400	--	\$2,375	--	--	--	--	--	--	\$2,775

Why Deliver Aid Like A Paycheck?

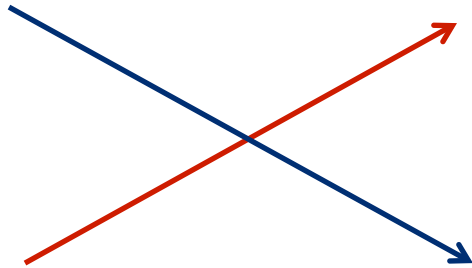
- The goal of the program is to help students succeed in college and better manage their money.
- Aid Like A Paycheck may also make financial aid more efficient, distributing aid to students while they maintain enrollment.
- Can influence policy, and ultimately may impact millions of students.

Potential Benefits for Colleges

- Make financial aid programs more cost-effective by ensuring aid is distributed while students maintain enrollment
- Limit Returns to Title IV
- Potential fit with your student success agenda

Potential Benefits for Students

Standard Disbursement:



Financial Aid Money
Decreases and **Work**
Increases Throughout the
Semester

Aid Like A Paycheck:



Financial Aid Money
and **Work** Stay the
Same Throughout
the Semester

Potential Benefits for Students

- Short term
 - Budget their aid more effectively
 - Balance time in work and school
 - Experience less financial stress
- Long term
 - Pass more courses
 - Persist, accumulate credits, attain credentials at higher rates than in absence of program

Original Pilot Sites

- **Mt. San Antonio College**, started in fall 2010
 - Walnut, California (Los Angeles area)
 - 200+ students volunteered for Aid Like A Paycheck
- **Triton College**, started in spring 2012
 - River Grove, Illinois (Chicago area)
 - About 100 students *volunteered* for Aid Like A Paycheck
 - Another 100 were *randomly selected* to receive 10

Current Evaluation Sites

- **San Jacinto College**, started pilot in spring 2014
 - Houston area, TX
 - About 60 students randomly selected to receive biweekly disbursements
- **Houston Community College System**, anticipated start in summer/fall 2014
 - Large system in Houston, TX

Student Responses

- Many students said they prefer receiving their aid in smaller incremental payments throughout the semester:
 - *“It’s forced me to organize myself.”*
 - The program *“makes you more aware of your spending habits.”*
 - One student reported experiencing, *“more peace of mind,”* and that being in the program *“makes life easier.”*

Experience and Lessons from Triton

- Administrative thoughts and initial interest
- Evolution of implementation
- Student and advisor responses
- Perceived benefits to students and the college

Next Step: A Large Scale Evaluation

Important Questions and Issues Remain:

- Can Aid Like A Paycheck be implemented at a larger scale? What facilitates successful implementation?
- Does Aid Like A Paycheck improve students' academic outcomes, such as credits earned or persistence in school?
- Does the policy affect economic outcomes, such as total aid received or debt accumulated?
- What are the benefits and costs to students, colleges, states, and the federal government?

Randomized Control Trial

- Only “new” students included in sample
- Students randomly assigned to two groups
 - Aid Like a Paycheck – “Program group”
 - Normal college disbursement – “Control group”
- Difference in students’ outcomes = impact of the program

Colleges in the Evaluation

- Up to two sites in two states
 - Texas
 - **San Jacinto College**, started pilot in spring 2014
 - **Houston Community College**, anticipated start in summer 2014
 - Michigan or California (Tentative)
 - Recruiting large colleges for study now

Tentative Evaluation Timeline

Fall 2014	Spring 2015 – Spring 2016	Spring 2016 – Spring 2017	2018
Pilot study	Enrollment of sample for a random assignment evaluation	Tracking of student outcomes and dissemination of findings	Final Report

What does it mean to be an Evaluation site?

- Positive influence on students, policy, and practice
- Site will be required to share data with MDRC
- Technical assistance and financial support for participation in evaluation
- Lessons learned from the pilot will be utilized during the evaluation
- MDRC will work with colleges and external partners to find solutions to implementation challenges.

Challenges

- Management Information Systems (MIS) changes
 - MDRC and Texas colleges working on short-term and long-term solutions
- Different types of aid
 - Pilot included primarily Pell Grant
 - Evaluation will include loans and other aid (depending on site)
- Multiple starts in a term
- Others challenges specific to Michigan?

Questions for Consideration and Next Steps

- How might the incentive structure of Aid Like A Paycheck align with other student success efforts at your college?
- Could your college implement Aid Like A Paycheck? Why or why not?
- What additional areas should be explored when implementing Aid Like A Paycheck?

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