

What We're Learning: SAP *A Data Update from the Wisconsin HOPE Lab*

May 21, 2015

Almost 13 million students across the country receive federal financial aid in order to defray the costs of college attendance.¹ Satisfactory Academic Progress (SAP) requirements define the minimum grade point average and progress toward degree that they must maintain in order to continue receiving that aid after their first year of college. Students who fail to meet those requirements can be barred from receiving further aid. Despite the strong incentives SAP would seem to create, research shows as many as 40% of first year community college students are at risk of losing aid eligibility due to failure to meet SAP.²

Less clear is whether students know about SAP requirements. Without this knowledge, students are unlikely to respond to the intended incentives, taking the actions necessary to retain access to aid.

As part of a larger effort to elicit information on college academic preparation, postsecondary goals, financial aid knowledge, employment, family support, and health, in August 2014 the Wisconsin HOPE Lab asked 1,065 Wisconsin students about the SAP GPA requirement.

¹ U.S. Department of Education. 2014. "Federal Student Aid Annual Report FY 2014." https://studentaid.ed.gov/sites/default/files/FY_2014_FSA_Annual_Report_official.pdf

² Schudde, Lauren and Judith Scott-Clayton. 2014. "Pell Grants as Performance-Based Aid? An Examination of Satisfactory Academic Progress Requirements in the Nation's Largest Need-Based Aid Program." *CAPSEE Working Paper*.

Specifically, the survey stated:

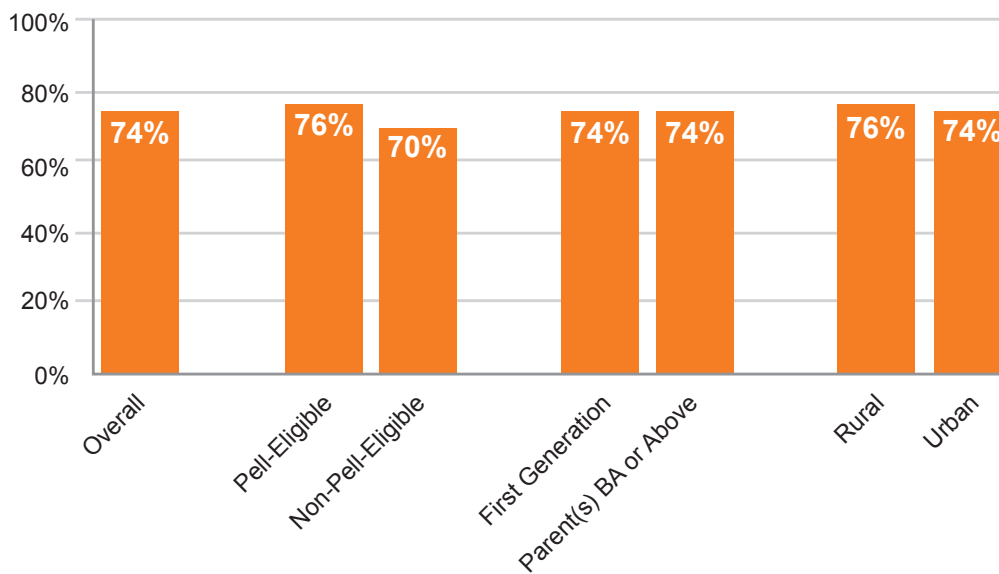
“True or False? To continue receiving financial aid each year, students have to maintain a minimum GPA.”

All students surveyed had an expected family contribution of less than or equal to \$10,314, 200% of the threshold for Pell Grant eligibility, and would be receiving financial aid when they began college for the first time in September.

We found that many students answered the question incorrectly, indicating “false.” This means that they were unaware of what they had to do in order to continue receiving financial aid as they pursued degrees.

As Figure 1 shows, 26% of students surveyed were unaware that they must maintain a minimum GPA to continue receiving financial aid. The fraction of students who were unaware of SAP requirements was similar across several key demographics, including Pell-eligible and non-Pell eligible, first generation students whose parents do not have bachelor’s degrees and continuing generation students with at least one parent with a bachelor’s degree, and students from both urban and rural communities across Wisconsin.

Figure 1. Percent of Respondents Who Were Aware of the SAP GPA Requirement



These results suggest that information on SAP does not reach all students. In fact, the survey likely overestimates the fraction of students aware of SAP, because the 26% figure only includes those who responded “false.” It is possible that other students were not aware of SAP requirements but simply guessed the correct answer on the survey.

In order to respond to requirements, students need to know about them in advance. Outreach strategies have the potential to increase student achievement and retention and help institutions capture federal aid that is currently lost when students fail to meet SAP standards. One promising approach is to provide students with information through short phone calls or text messages. These “nudges” are inexpensive and have proven effective at increasing re-applications for financial aid and reminding recent high school graduates of the necessary steps for enrolling in college. The Wisconsin HOPE Lab is undertaking further research to determine if a similar strategy can effectively increase achievement and retention for students at-risk of losing aid eligibility due to a failure to meet SAP.