



OPENING DOORS

# REWARDING PERSISTENCE

Effects of a Performance-Based  
Scholarship Program for  
Low-Income Parents

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## Executive Summary

An investment in postsecondary education has been repeatedly shown to pay high monetary and nonmonetary dividends to students and society at large. In 2006, college graduates were about one-half as likely to be unemployed compared with high school dropouts, and about one-fourth as likely to live in poverty compared with high school graduates.<sup>1</sup> A college education may confer nonmonetary benefits as well. For example, studies have found that adults who have postsecondary education are more likely to be in good health, participate in other civic affairs, and have children who do well in school than adults who have not attended college.<sup>2</sup>

The nation's 1,200 community colleges — with their open-admissions policies and relatively low cost — provide a pathway to educational and economic opportunity for millions of adults. Yet, despite the benefits of completing a postsecondary education, research shows that of all students who matriculate at community college, about one-third actually earn an associate's degree or a bachelor's degree within six years.<sup>3</sup> The reasons for this are many, including weak academic preparation; difficulties balancing work, family, and school obligations; and lack of adequate financial aid.

MDRC launched the Opening Doors demonstration to test four distinct interventions that were designed to help more students persist in community college and accomplish their academic and personal goals. In Louisiana — the subject of this report — researchers examined the effects of a performance-based scholarship with counseling targeted to low-income parents who were enrolled in or planning to enroll in community college. The performance-based scholarship offered \$1,000 for each of two semesters (\$2,000 total) if students met two conditions: They had to enroll in college at least half time and they had to maintain an average grade of “C” or better, equivalent to a grade point average (GPA) of 2.0. The scholarships were paid in addition to Pell Grants and any other financial aid for which students qualified, and were paid in increments, three times each semester, so that program counselors could monitor students' compliance with these benchmarks and physically hand the students their checks at the beginning, middle, and end of the semester. Funding for the scholarships was provided by the Louisiana Department of Social Services and the Louisiana Workforce Commission, and consisted of

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<sup>1</sup>The College Board, *Trends in College Pricing* (Washington, DC, 2007).

<sup>2</sup>Thomas S. Dee, “Are There Civic Returns to Education?,” *Journal of Public Economics* 88, 9 (August 2004): 1697-1720; Gina Kolata, “The New Age: A Surprising Secret to a Long Life: Stay in School,” *The New York Times* (January 3, 2007).

<sup>3</sup>U.S. Department of Education, National Center for Education Statistics, *Community College Students: Goals, Academic Preparation, and Outcomes* (Washington, DC, 2003).

flexible funds from the Temporary Assistance for Needy Families (TANF) program.<sup>4</sup> Despite the funding source, students did not have to be welfare recipients.

MDRC and its partners in The Network on Transitions to Adulthood, funded by the MacArthur Foundation, examined the effects of the performance-based scholarship on students' registration in college, course taking and completion, persistence, and other outcomes. Students were randomly assigned either to a control group that received standard financial aid and other college services or to a program group that received the same benefits *in addition to* being eligible for the performance-based scholarship with counseling. By comparing academic progress and other outcomes over time, researchers are able to determine what difference, or *impact*, the scholarship made in students' lives. The evaluation took place at two institutions located in the New Orleans area: Delgado Community College and the Louisiana Technical College-West Jefferson.

The Opening Doors program in Louisiana began in spring 2004 and operated through summer 2005. Just after the program ended, Hurricane Katrina struck the Gulf Coast region and caused severe and widespread destruction. The two colleges involved in the study shut down temporarily, and many students in the study moved away. To produce a fair assessment of the scholarship's effects, this report focuses mainly on outcomes before the storm, although forthcoming research by members of The Network on Transitions to Adulthood will say more about how students fared after the hurricane.

Key findings from this report include the following:

- **The Opening Doors program encouraged more students to register for college.** Although the program was marketed mainly to students who had already taken steps to enroll in college, it resulted in higher registration (by 5.3 percentage points, or 7 percent) among program group students in the first semester. In addition, students eligible for the scholarship were more likely, by 6.4 percentage points, to register full time, although only half-time enrollment was required to maintain the scholarship.
- **The program increased persistence.** The second semester after random assignment, students in the program group were more likely (by 15 percentage points, or 30 percent) to register than students in the control group. Longer-term analyses for the first groups of students to enter the Opening Doors study (and who were able to make more progress in school before Hurricane

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<sup>4</sup>Like many other states, Louisiana developed a large funding surplus in its TANF program in the wake of rapid declines in welfare caseloads. The federal government permitted states to use TANF funds in many ways, as long as they were used to help low-income families achieve self-sufficiency.

Katrina) show that program group students were more likely to enroll in college, by 6.5 percentage points, up to four semesters after random assignment, although the results diminish somewhat over time.

- **The program increased the number of credits that students earned.** Students in the program group attempted and earned more credits, both in college-level courses and in developmental-level courses (for example, basic English and math), and were more likely to meet the GPA benchmark set by the program. Follow-up data on the first groups of students to enter the Opening Doors study show that program group students earned 3.5 more credits than control group students through the fourth semester after random assignment.
- **The program had positive impacts on a range of social and psychological outcomes.** Sample members were surveyed about 16 months after they entered the study, on average. Students who received scholarships reported more positive feelings about themselves and their ability to accomplish their long-term goals. They also indicated that they had more social support and were more politically engaged than students who did not get scholarships.

## Who Was Served by the Program?

As noted above, Louisiana's Opening Doors program was funded through surplus state-level TANF funds. The funding source made it necessary to designate the scholarship for a population that is similar to the one served by TANF — namely, parents of at least one dependent child under 19 who had a household income under 200 percent of the federal poverty level. (Receipt of welfare was *not* a requirement.) To be eligible for the study, students also had to be between the ages of 18 and 34; have a high school diploma, General Educational Development (GED) certificate, or a passing score on a college entrance examination; and not already have a degree or certificate from an accredited college or university.

Program staff recruited low-income parents for the study mainly during college orientation and testing sessions, although they also put up flyers around campus and advertised in the community. Over the course of four semesters, a little more than 1,000 students agreed to participate in the study and were randomly assigned to program and control groups in four separate cohorts based on the semester in which they registered: spring 2004, summer 2004, fall 2004, and spring 2005. Over 90 percent of the sample members were women, and more than four out of five were black. The average age of students in the sample was 25, and the average age of their youngest child was just over 3 years old. Only 10 percent of the sample received TANF assistance, but a majority received some type of government assistance — most often, food stamps. About half the students were working at the time they entered the study.

## How Was the Program Implemented?

The performance-based scholarship was paid to students on the condition that they met certain requirements. Students received \$250 upon enrolling at least half time (defined as six or more credit hours per semester); \$250 after midterms, contingent on staying enrolled at least half time and earning passing grades (that is, a C average); and \$500 upon completion of courses with a C average or better. This offer was extended for two semesters, giving students the opportunity to receive up to \$2,000 in total. The program tried to create a strong incentive for students to do well and to receive the full amount of money that was offered. Hence, if students did not do well at midterms but met the grade point average at the end of the semester, they could still recoup the full amount of the scholarship. Similarly, students did not have to enroll for two consecutive terms to qualify for the full amount, but could take off a semester and return later if they chose (though this option was no longer available after summer 2005, when the program shut down).

As the program was first conceived, MDRC hoped that the counselors would get to know the students on a personal level, encourage them to stay in school and make good progress, and take an active role in making referrals to appropriate services on campus or in the community if academic or personal problems interfered with school. Some counselors came closer to fulfilling this vision than others, but as a group, the counselors played mostly a monitoring function. Counselors met with Opening Doors students periodically to monitor their academic progress and disburse checks. They generally kept their meetings brief, and did not try to influence students' choice of courses or delve into personal problems. The counselors used campus computer systems and contacted faculty to find out students' enrollment status and grades, and coordinated with the bursar's office to issue students' checks, which they handed to students in person. Overall:

- **The program's key features were fully implemented.**

Delgado Community College and Louisiana Technical College-West Jefferson had sufficient staff and procedures in place to ensure that the primary features of the Opening Doors program were generally executed as planned. While the counseling was less intensive than MDRC originally intended, it was adequate to deliver the scholarship. All students in the program group had the opportunity to receive the scholarship for two semesters.

- **There was a sharp contrast between the Opening Doors scholarship and other services available to students in the control group.**

In order to receive a "fair test," a program must not only be fully implemented, but also differ from the services available to the control group. At the Louisiana colleges, both program group and control group members had access to regular financial aid (including federal Pell

Grants), but the control group did not have access to the Opening Doors scholarship or anything like it. In addition, although the counseling role in Opening Doors consisted mostly of brief meetings and monitoring of students' enrollment and grades, students in the program group reported that they got more attention and support from college staff than control group students.

- **Nine out of ten students in the program group received at least one installment of an Opening Doors scholarship.**

Over two semesters, the average amount of Opening Doors scholarship funds that students received was \$1,133. Less than one-third of students qualified for the full \$2,000 over two semesters. Program staff believed that the main reasons why more students did not receive the full scholarship included weak academic preparation for college, difficulty balancing school with work and parenting responsibilities, and health problems.

- **In qualitative interviews, several students in the program group spoke positively about their experience in Opening Doors. Both program group and control group members indicated strong motivation to earn a college degree, but also described significant barriers.**

Researchers affiliated with The Network on Transitions to Adulthood conducted intensive, individual interviews with 50 women from the Opening Doors sample before and after Hurricane Katrina struck the area. Several women in the program group indicated that the scholarship helped them financially and that they appreciated the encouragement they got from program staff. Another theme that emerged from the interviews was the challenge of juggling work, child care, and financial responsibilities while going to school. A number of women in the qualitative sample reported significant health problems, either for themselves or for family members in their care.

## **How Was the Impact of the Program Evaluated?**

MDRC assigned students, prior to enrollment and at random, to either a program group or a control group to measure the impact of the Opening Doors program. Random assignment ensured that the academic backgrounds, motivation levels, and personal characteristics of the students in the two groups were similar at the start of the study. By tracking both groups of students over time and comparing their outcomes, researchers can determine what difference the program makes in registration, persistence, course credits earned, and other outcomes. Random assignment occurred in the weeks leading up to the start of the semester and ended on the final registration day for classes.

The research team collected a variety of data on program and control group members, including transcripts and financial aid records from the two colleges in the study and informa-

tion on college enrollment and completion from the StudentTracker Service of the National Student Clearinghouse (a repository of information from colleges and universities throughout the United States). In addition, program and control group members were asked to complete a follow-up survey on college experiences, social interactions, future outlook, and health.

In addition to the devastating effects it had on the people and communities of New Orleans, Hurricane Katrina posed some challenging problems for the evaluation, especially the follow-up survey. At the time the hurricane struck, close to half the sample had already completed the survey. Since 60 percent of sample members resided within the city limits of New Orleans — which was submerged under as much as 16 feet of water — most sample members relocated to nearby regions and states after the storm. The survey effort was suspended for several months in the wake of the storm and later resumed. Ultimately, 79 percent of sample members were located and completed an interview. As noted earlier, the average follow-up period for the survey was about 16 months after random assignment, although the response times varied depending on whether students completed the survey before or after the hurricane. An appendix to this report describes the survey issues in greater detail and presents separate findings for pre- and post-hurricane respondents.

## **Did the Program Make a Difference?**

This report presents findings on a number of outcomes, including educational attainment, level of effort, and health and well-being. Some of these outcomes were expected to be influenced immediately by the program. For example, it was hypothesized that registration and short-term academic achievement would increase. Other changes were expected to take place over the longer term, such as changes in health. These expectations were largely met by the program, and, in many cases, the findings exceeded expectations.

As discussed above, some analyses of the effect of the program must account for the interruption by Hurricane Katrina. This is accomplished by looking at the periods prior to and after the hurricane for some outcomes and using measures from the survey that were asked of a majority of respondents. These approaches provide some insight into what would have happened had Katrina not occurred.

This report finds:

- **The Opening Doors program encouraged greater registration and full-time enrollment during the first and second semesters.**

Transcript data suggest that program group students were more likely, by 5.3 percentage points, than control group students to register during the first semester, and more likely, by 6.4 percentage points, to register for 12 or more credits (full time). During the second

semester, program group students were more likely to persist with their studies, by 15 percentage points. This represents an increase in second semester registration of slightly more than 30 percent. The Opening Doors program also affected academic success. Program group students were more likely, by about 11 percentage points, to earn a 2.0 GPA than were control group students. These findings for the full sample are positive (and statistically significant), and they suggest that the program encouraged academic success, but Hurricane Katrina makes it impossible to know what would have happened after two semesters for the full sample.

- **The study found evidence of impacts on registration lasting through the fourth semester after random assignment — two semesters after the program largely ended — for the first two cohorts, or groups of students, in the program.**

The first two cohorts to participate in the program have data available for up to four semesters prior to Hurricane Katrina, permitting a look at trends that extend beyond the scholarship semesters. Figure ES.1 shows that program group students in the first two cohorts were 18.1 percentage points more likely, on average, than control group students to register in the second semester. In addition, program group students were 11.8 percentage points more likely than control group students to register in the third semester, which represents a one-year period. Registration rates continue to be higher for the program group in the fourth semester, the latest semester available for both groups before Hurricane Katrina. Note that despite the gains by the program group, both groups show some attenuation over time, with overall levels of registration declining somewhat each subsequent semester.

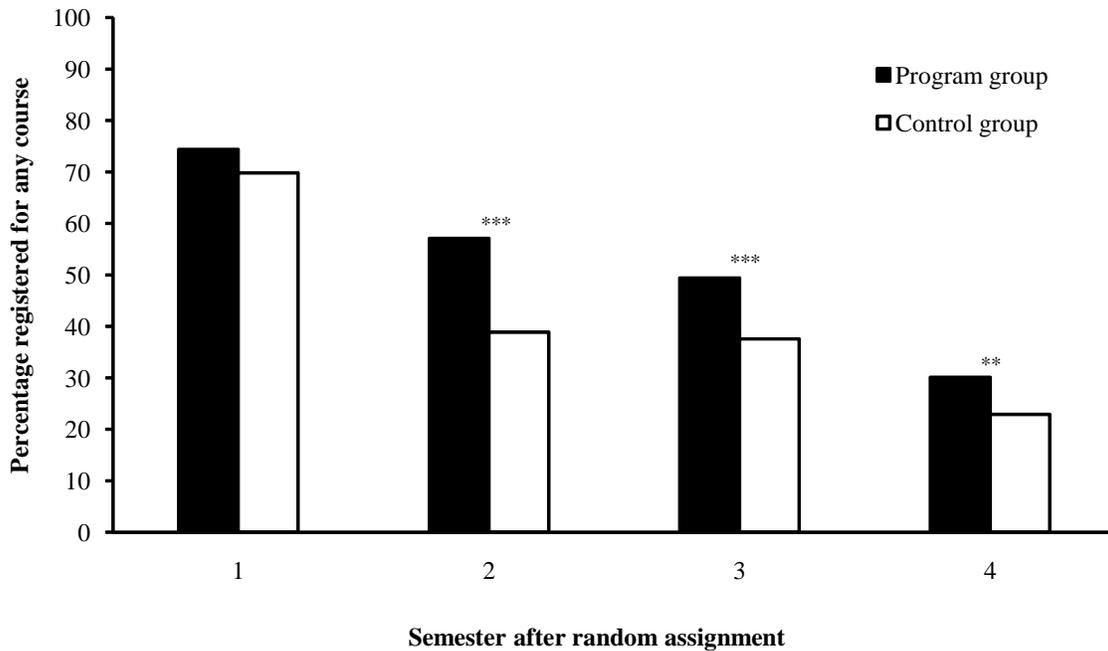
- **The Opening Doors program resulted in a larger number of credits earned for program group members.**

Figure ES.2 turns to the number of credits earned for students in the first two cohorts. Program group students earned more credits than control group students in all semesters except the fourth semester, at which point the difference was not statistically significant. The last two sets of bars in the figure show cumulative gains in credit acquisition for semesters one through four and one through seven. The program group earned 3.5 credits more than control group students over the first four semesters. While the colleges closed for the fall 2005 semester after Hurricane Katrina, some students managed to take online courses and register at other campuses that opened the following spring. The last set of bars shows that few credits were earned after the hurricane, with the result that the total cumulative credits earned from semesters one through seven were higher for program group students, who earned close to four credits more than control group students.

## The Opening Doors Demonstration

Figure ES.1

### Key Impacts on Registration: First Two Cohorts Delgado Community College and Louisiana Technical College Report



SOURCES: MDRC calculations from Delgado Community College and Louisiana Technical College transcript data.

NOTE: Statistical significance levels are indicated as: \*\*\* = 1 percent; \*\* = 5 percent; \* = 10 percent.

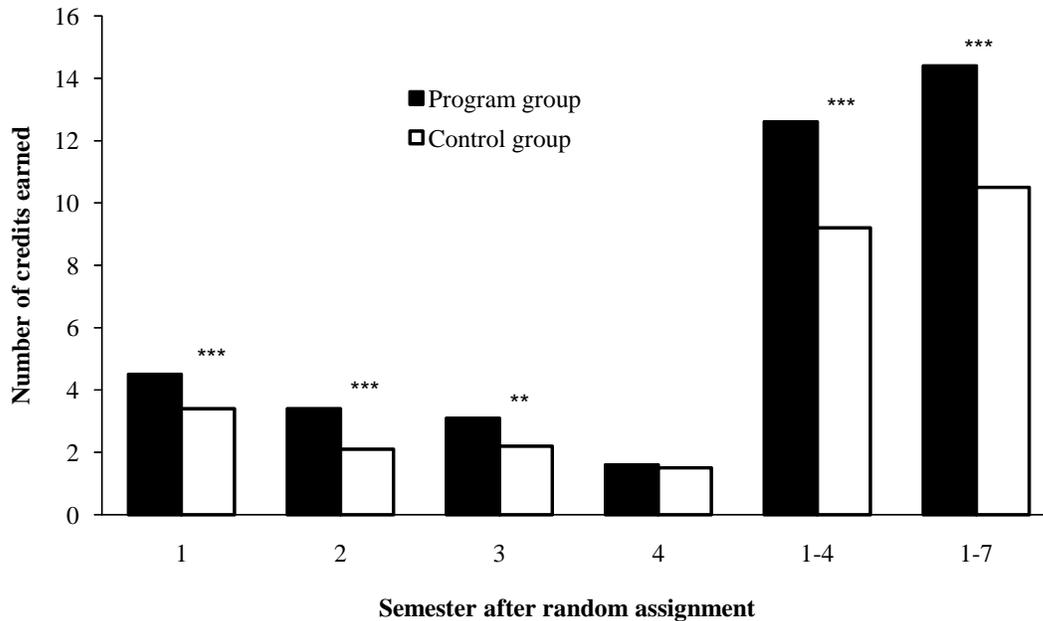
- **Opening Doors was designed to supplement the Pell Grant and other financial aid programs. Not counting the Opening Doors scholarship, program and control group members received virtually identical financial aid awards in the first semester after random assignment. In the second semester, however, more program group members than control group members received financial aid awards, owing mainly to the fact that they were more likely to be registered for school.**

The Opening Doors scholarship was available only to members of the program group. Both program and control group members were potentially eligible for federal Pell Grants and

## The Opening Doors Demonstration

### Figure ES.2

#### Key Impacts on Credits Earned: First Two Cohorts Delgado Community College and Louisiana Technical College Report



SOURCES: MDRC calculations from Delgado Community College and Louisiana Technical College transcript data.

NOTE: Statistical significance levels are indicated as: \*\*\* = 1 percent; \*\* = 5 percent; \* = 10 percent.

other financial aid, but those programs were administered separately from the Opening Doors scholarship. (As noted elsewhere in this report, the Opening Doors scholarship was designed as a *supplement* to existing financial aid, not a replacement for it.) In practical terms, this meant that the Opening Doors scholarship should increase the amount of money available to students in the program group. Importantly, the money from the Opening Doors scholarship was paid directly to the student, and could be used for school expenses along with basic living expenses and other needs. This was also very different from Pell Grants, which went directly to the institution to cover tuition and fees, and may not have felt as tangible to students.

In the first semester after students were randomly assigned, a slightly higher percentage of program group members registered for classes than control group members (85 versus 80 percent), but students in the program and control groups were awarded financial aid at virtually identical rates. This was an expected result. Students typically apply for financial aid several weeks (if not months) before the start of the semester, and the staff from the Opening Doors program did not have any influence on students' decisions to apply or whether they were awarded aid packages. In the *second* semester after students were randomly assigned, more program group members than control group members (69 percent versus 56 percent) made the decision to re-enroll in college, and thus were also more likely to be awarded financial aid.

- **Students in the Opening Doors program are more likely than those in the control group to report that they are pursuing personal goals, have higher levels of self-esteem, and have more social support.**

At the start of the study, students exhibited relatively high levels of psychological distress, suggesting that there might be room for significant impacts on their social and psychological well-being over time. After two semesters of the intervention, analyses based on the follow-up survey indicated that the Opening Doors program had positive impacts on a range of social and psychological outcomes, promoting greater levels of engagement in the pursuit of personal goals and in life more generally. Moreover, the study suggests positive program effects on two key aspects of identity: self-esteem and overall sense of self. The latter includes a student's sense of self both as an individual and in relation to significant others. Finally, the program appears to have engendered a greater sense of perceived social support and contributed to more political engagement. All these findings suggest that the program enhanced the social and psychological well-being of participating students.

## **What Are the Implications of the Results?**

The Opening Doors program in Louisiana owes its success to a number of factors, including the following:

- Provision of additional funds to students
- Focus on a particularly receptive group of nontraditional students (largely single parents)
- Transference of funds directly to students
- Incentive nature of the scholarship
- Provision of additional support through regular contact with counselors
- Operation in a state that largely does not provide a generous need-based state-level financial aid program

The Opening Doors program in Louisiana targeted those with income beneath 200 percent of the federal poverty level and provided funds that were paid *in addition to* other financial aid for which the students had already qualified. In other words, the funds represented a net gain in aid. Further, the study sample was largely made up of nontraditional students (specifically, single parents) who are often penalized in financial aid calculations, which assume that the previous year's income will be available to support the student's education the following year. In addition, the performance-based scholarship was distributed directly to students, which may have allowed them to address the financial needs, such as child care expenses, that would have most prevented their attendance and success. Finally, the program operated in a state that does not have a generous need-based state-level grant program for undergraduates, which may have made the students in the program group particularly receptive to the Opening Doors program, since the amount of aid provided in Louisiana is limited.

Overall, the Opening Doors program resulted in an education gain of one-third of a semester, or about four credits. While four credits may not seem to be a large gain in terms of what is required to earn an associate's degree, such a gain, taken in context, is notable. First, the students in this study face a multitude of barriers, most working while attending school and all caring for children (the average age of the youngest child is 3 years), mostly as single mothers. Very low persistence rates have been found for such nontraditional students in other studies. Second, the overall gain moves students toward the "tipping point" of 20 credits, which some research suggests is associated with a higher likelihood of graduation.<sup>5</sup>

While the study's findings are compelling, they leave a number of open questions. Several aspects of the program's design may be critical for its success, but without studies of the variation in those elements, the relative importance of each one remains unknown. For example, the context for offering financial aid — which, in this study, is the relatively low amount of need-based aid offered to students in Louisiana — may play a very large role in the findings, or, alternatively, the maturity of students may be primarily responsible for the positive findings, or further still, the counseling component of the study could be critical. Most important, it is not clear from the present study whether the positive findings would have continued over time or reversed; the impact of Hurricane Katrina and its aftermath on the state and on surrounding regions add to the uncertainty.

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Although this study of a program offering a performance-based scholarship with counseling in Louisiana has raised more questions than were originally posed, it has also produced

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<sup>5</sup>Clifford Adelman, *Answers in the Tool Box: Academic Intensity, Attendance Patterns, and Bachelor's Degree Attainment* (Washington, DC: U.S. Department of Education, 1999).

some noteworthy results and appears to offer a promising intervention to increase students' persistence in pursuing their postsecondary education. However, it is just one study in one place. MDRC has made it a priority to replicate the program (and variations of it) to build more evidence on the potential for performance-based scholarships to help at-risk students attending community colleges and nonselective universities (that is, universities with minimal acceptance requirements or open admissions) in other states. The goal of the Performance-Based Scholarship demonstration — MDRC's replication demonstration launched in 2008 in California, New Mexico, New York City, and Ohio — is to evaluate whether such scholarships would be as successful in different geographical locations, for different target groups, with different amounts of monies, and over varying durations.