

The Effects of Expanding Pell Grant Eligibility for Short Occupational Training Programs: Results from the Experimental Sites Initiative

STUDY HIGHLIGHTS

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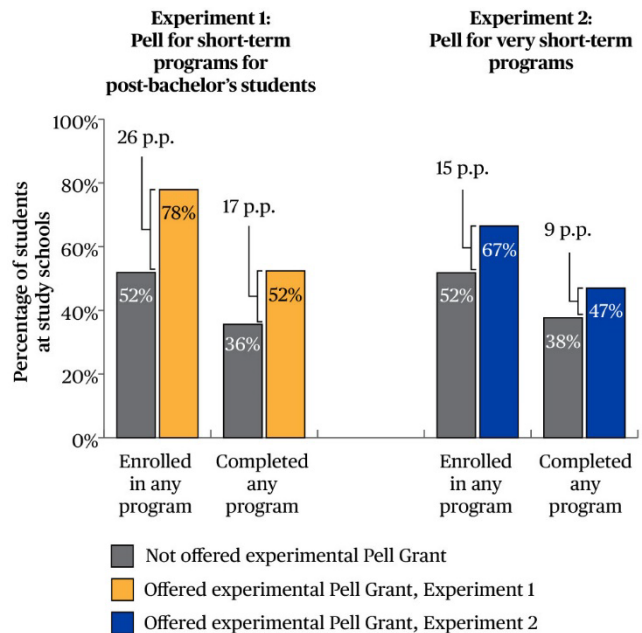
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Pell Grants are the cornerstone of federal financial aid for low-income students enrolled in postsecondary education. Currently, these grants are available only to those who seek an initial undergraduate degree or credential for a program lasting at least a typical semester. Because these rules may restrict access to programs providing skills needed for new or better jobs, the U.S. Department of Education conducted pilots of two experimental expansions to Pell Grant eligibility between 2012 and 2017. Experiment 1 allowed income-eligible students with a bachelor's degree to obtain Pell Grants for short-term occupational training programs lasting up to one year. Experiment 2 allowed income-eligible students to obtain Pell Grants for very short-term programs lasting as little as eight weeks. The study examined whether these pilots increased enrollment in and completion of occupational training programs, a first step toward improving individuals' success in the labor market. These effects were determined by comparing what happened to about 2,700 eligible students who were randomly assigned either to be offered or not offered experimental Pell Grant funds in their financial aid award packages.

Key Findings

- Offering Pell Grants for short occupational programs to low-income students with a bachelor's degree (Experiment 1) increased program enrollment and completion by about 20 percentage points.** Students were 26 percentage points more likely to enroll in additional education and 17 percentage points more likely to complete a program at the study schools if they were offered an experimental Pell Grant. The offer affected completion of not just any program at study schools, but of high-demand programs—defined as those associated with occupations in a new and emerging field, projected to grow rapidly, or having a large number of openings in the student's state. Completion of these programs increased by 11 percentage points.
- Offering Pell Grants for very short-term occupational training programs (Experiment 2) increased program enrollment and completion by about 10 percentage points.** Students were 15 percentage points more likely to enroll in additional education and 9 percentage points more likely to complete a program at the study schools if they were offered an experimental Pell Grant for very short-term occupational programs. The offer increased completion of programs associated with high-demand occupations in a student's state by 8 percentage points.



NOTE: Effects are shown by the brackets in percentage points (p.p.) and rounded to the nearest whole number. All effects are statistically significant at the 5 percent level.

The 46 schools participating in the experiments were primarily public two-year colleges and were concentrated in the Southeast region of the country. The low-income students they identified for the experiments had already filled out a FAFSA and expressed interest in a program of study at the school before learning about their eligibility for an experimental Pell Grant. Whether different schools, offering different programs, to different students would achieve the same success is unclear. Also unknown are the labor market returns from the two experiments and how these compare to the cost of expanding Pell Grant eligibility—about \$1,800 per student in this study. These important open questions could be explored in the future.