

POLICY BRIEF 2013-03

# Informing Students about Their College Options: A Proposal for Broadening the Expanding College Opportunities Project

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# Informing Students about Their College Options: A Proposal for Broadening the Expanding College Opportunities Project

The vast majority of high-achieving, low-income students do not apply to selective colleges or universities. This stands in sharp contrast to their higher-income peers. This gap represents a troubling loss of opportunity for the students themselves, who may forgo a chance to transform their lives, and for society at large, because persistent low rates of college attainment among students from disadvantaged backgrounds exacerbate disparities in well-being and diminish upward social mobility.

Just as troubling, the evidence suggests that these low-income, high-achieving students miss out on improved college opportunities in part because they are unaware of opportunities to apply to selective schools or are deterred from exploring them for relatively trivial reasons. In surveys, low-income, high-achieving students express eagerness to attend the best colleges to which they can gain admission and that they can afford, and their high grades and top test scores would make them excellent candidates at even the most-selective schools. Instead of applying to and enrolling in such schools, however, they often decide to attend nonselective institutions with far fewer instructional resources, much less demanding curricula, higher out-of-pocket costs, and much lower graduation rates. This contributes to the disparity of educational outcomes between low-income, high-achieving students and their higher-income counterparts.

In a new Hamilton Project discussion paper, Caroline M. Hoxby of Stanford University and Sarah Turner of the University of Virginia build on their important research on the behavior of low-income, high-achieving students and propose specific steps that policymakers and the broader education community can take so that these students are better informed about and can take action on all of their college options. Hoxby and Turner developed and tested the Expanding College Opportunities (ECO) Project, which provided targeted, customized information about the college application and selection processes to help improve the choices of low-income, high-achieving students. This intervention provided guidance on how to apply to colleges, on what the student would actually pay to attend various colleges (the net cost as opposed to the sticker price), and on colleges' widely varying graduation rates and instructional resources; it also

provided no-paperwork fee waivers for applying to up to eight of the 236 most-selective colleges.

This informational intervention, if expanded on a national scale through trusted third-party organizations such as the College Board and ACT, could dramatically expand the collegiate opportunities for high-achieving, low-income students. Furthermore, the authors propose that improving researchers' access to relevant federal data sets could better target this intervention to those students who could benefit most from them, and could also help researchers design similar interventions to help combat other persistent problems in America's education system. For instance, a future intervention might help low-income students better manage their portfolios of financial aid and get the most out of a selective school's curriculum.

## The Challenge

While high-achieving students from upper-income families are overwhelmingly likely to apply to selective colleges and universities, a surprisingly large number of high-achieving students from low-income backgrounds—probably the vast majority of such students—do not apply to these institutions. Figure 1 illustrates the severe disparity in application behavior between low- and high-income high achievers. Panel A shows that most high-income high achievers apply to a mix of peer schools—colleges where their test scores closely match the scores of typical students at those institutions—as well as a few safety schools that they are virtually certain to be admitted to. In contrast, as shown in panel B, the bulk of low-income high achievers' applications go to nonselective schools where the average test scores are much lower than their own.

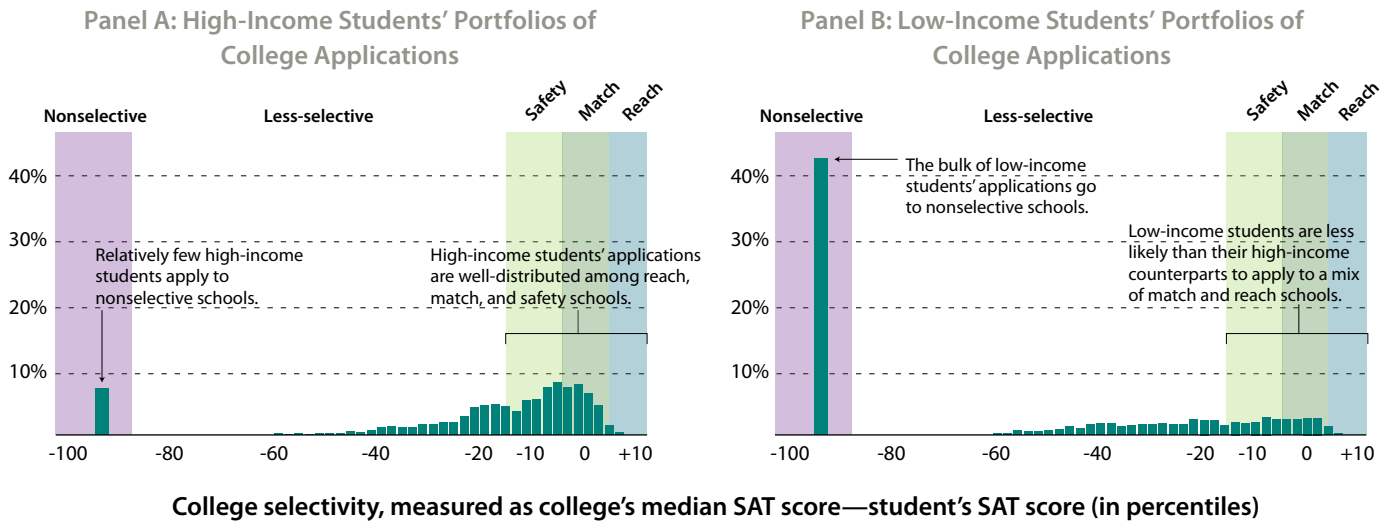
This gap is puzzling because high-achieving, low-income students are well qualified and are likely to receive generous financial aid from these more-selective institutions relative to less-competitive schools. In fact, low-income students actually pay less on average to attend selective institutions than they would have paid at less-selective four-year colleges.

This is a tremendous missed opportunity for low-income high achievers and their families. Because these students do not apply to and attend selective schools, they miss out on the numerous resources selective schools offer, including individualized advising, excellent college-career links, and other academic resources. High-achieving, low-income students are also natural role models, and by not attending selective schools, they may inadvertently send a message to other low-income students that working hard in school is not worth the effort because high achievers enroll at the same schools as everyone else.

Recent cutting-edge research has shown that one explanation for this college application gap is that low-income students

FIGURE 1.

## Application Behavior of High-Achieving Students



Source: Avery and Hoxby (2012).

are poorly informed about the benefits and accessibility of selective colleges. These students lack basic information about the availability of financial aid, differences in resources available at colleges, testing and application fee waivers, and application strategies used by high-income students. According to the findings, a key barrier for many low-income high achievers is, quite simply, a lack of information.

### The ECO Project

To better inform high-achieving, low-income students about their college options, Hoxby and Turner developed the ECO Project. The authors selected low-income students from among the top 10 percent of students who took the ACT and SAT tests, and mailed them information on the application process, the cost of college and potentially available financial aid, and application fee waivers. The total cost of compiling and sending this information was about \$6 per student. The program was designed so that the information came from a neutral organization rather than from a specific college and the information was customized for each student. Furthermore, the program was designed in a way that can be quickly and cost-efficiently scaled up. Customizing the information for each student required the researchers to assemble a comprehensive body of data from the SAT and ACT, government agencies, and other sources, as well as powerful computational facilities and sophisticated social-science methods.

The ECO intervention had a significant impact on students' college application behavior. Compared to similar students who received no material (the control group), students who were mailed the ECO material applied to more-selective colleges, were admitted to such colleges in greater numbers, and enrolled at colleges with higher graduation rates and more instructional resources. Compared to the control group, the students who

received the ECO material were almost 20 percent more likely to apply to public and private schools with similarly high-achieving students.

What's more, evidence suggests that a low-income high achiever who does apply to a selective institution attains outcomes that are extremely similar to those of high-income students with the same preparation: on-time course completion, high on-time graduation rates, negligible rates of loan default, and so on.

### A New Approach

Early pilots of the ECO intervention have shown that providing low-income students with better, customized information improves their college opportunities, allowing them to apply to and enroll in more-selective schools that are better matched to their high achievement levels. The ECO Project was specifically designed to be scalable to reach more students. Furthermore, the program could be substantially strengthened through increased data sharing with federal agencies to improve the targeting and customization of information; the program provides a template for broader efforts to reach new populations of students and to address a wider scope of informational problems.

In particular, the authors offer five specific policy proposals to help guide the expansion of ECO in a manner that builds on the program's preliminary success to deliver an even greater impact on student outcomes.

#### 1. Establish or partner with credible third parties for implementing and extending the ECO Project.

Sustaining and improving the quality of the program still requires expert oversight, and the means to conduct continual evaluation

and improvement and to manage the day-to-day operations. This requires sustaining the ECO organization as a central party in any implementation and expansion of the program.

The authors propose partnerships with trusted third-party institutions such as the College Board and ACT to increase the impact of the ECO program. This will be particularly important if the outreach materials are disseminated alongside other important college-related materials. As reputable third parties in the college admissions process, the College Board and ACT already fill a role as credible and neutral purveyors of admissions-related information—a factor that is likely to make students and parents more inclined to open mail containing intervention materials. Concentrating resources within one or two institutions will provide a clearinghouse of information for all parties, reduce duplicative and competing recruiting efforts on the part of colleges and universities, clarify the information available to students, and help establish the credibility of the program.

In order to support the capacity to address analytic and data challenges and to continue research toward improving the effectiveness of the intervention, the ECO Project and its researchers should remain a central party in any implementation and expansion of ECO. Building upon the program's success necessitates maintaining and improving complex and data-intensive targeting systems, establishing and sustaining credibility of the ECO intervention, and providing a clearinghouse for data, research, and dissemination of information that meets the needs of students and their families, colleges and universities, and of other partners and data providers, such as government agencies.

## ***2. Expand the ECO interventions to serve more high-achieving, low-income students through partnerships with the College Board and ACT.***

The original ECO intervention targeted only a small fraction of potentially eligible low-income, high-achieving students. Because the ECO program was designed to be easily brought to scale at a low marginal cost, substantially increasing the number of targeted students is not logistically complicated. The College Board and ACT are uniquely positioned to implement these interventions at full scale.

In 2013, the College Board committed to undertake the ECO intervention for every low-income high achiever who takes a College Board test, but this expansion still leaves out roughly half of all students that take college-admissions tests nationwide and a large share of colleges and universities that rely on applications from those students. Including high-achieving ACT students in the intervention would greatly extend the reach of the program. It would also ensure that selective colleges in ACT-reliant states experience as big an increase in the economic diversity of their applicant pool

## **Roadmap**

- Researchers from the Expanding College Opportunities (ECO) Project will partner with trusted third parties such as the College Board and ACT for the next phase of ECO implementation. ECO Project leaders should provide analytic support and continuing research to improve the ECO program.
- Implemented in partnership with the College Board and ACT, the ECO intervention would, through a national implementation strategy, aim to reach every low-income, high-achieving student who took the SAT or ACT.
- Within the U.S. Department of Education, as well as in partnerships with other federal agencies, leaders should devise strategies to provide access to relevant federal data to ECO researchers and administrators.
- Using new data, such as those gathered from PSAT takers, ECO administrators and partners could expand the scope of this intervention to reach a broader group of students at earlier stages of their education and to support low-income students once they enroll in college.
- The Institute of Education Sciences (IES) will continue to make available competitive grants for researchers who propose feasible interventions that could help ameliorate major problems in America's education systems. The IES should also be empowered by the U.S. Department of Education to ensure that it can grant access to Department of Education databases to those researchers who propose promising interventions.

as selective colleges in states where the SAT predominates. Fully implementing ECO interventions through both the College Board and ACT would ensure that low-income, high-achieving students in almost every region of the country could be reached by the intervention.

## ***3. Improve targeting and effectiveness of the intervention by providing ECO researchers with better access to data.***

A key factor in the success of the ECO intervention is the ability to target individual students with accurate, customized, and relevant information. This capacity depends critically on access to rich data to identify, target, and customize information for high-achieving, low-income students. For example, data on family circumstances at a very fine level of geography are needed to estimate students' family income

## Learn More about This Proposal

This policy brief is based on The Hamilton Project discussion paper, “Informing Students about Their College Options: A Proposal for Broadening the Expanding College Opportunities Project,” which was authored by:

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accurately—without such information, researchers will likely be unable to identify thousands of students who could benefit from the ECO intervention.

The federal government maintains a variety of administrative databases that could dramatically improve targeting, which would enhance the overall effectiveness of the ECO program. For example, key data include information on the geographic concentration of student aid recipients within the U.S. Department of Education and/or information on family income from other sources.

With the proper data, ECO researchers could develop methods for better identifying the students who could most benefit from these interventions. To that end, the authors propose that the federal government provide a mechanism for ECO and other approved researchers to access certain information from these key administrative databases. Critically, basic use of these data would not require dissemination of individual-specific information. For more-detailed individual data, a variety of systems could help ensure confidentiality. For instance, the National Center for Health Statistics created secure Research Data Centers to allow researchers access to restricted data. Only pre-approved researchers may use these centers to access data related directly to their inquiry, ensuring that sensitive information is kept confidential.

#### ***4. Apply similar interventions to different students and outcomes.***

The results from the ECO intervention suggest that similar methods may be able to help students in other ways. The first way is to reach students in the early years of high school rather than waiting until their senior year. Such early-stage interventions may provide an opportunity to help students with college preparation and college planning, while better information about the affordability of selective colleges may encourage students to

raise their achievement early on. Second, it should be possible to use the basic insights of the program to provide information to reach a much broader range of potentially college-ready students and help them understand the trade-offs among different college and non-college options. Third, a new host of challenges face low-income students once they enroll, such as what courses to take, how much time to devote to employment outside of school, and how much to borrow. Low-income students are especially likely to be at risk with respect to these choices, as they have more-complex financial aid packages than their more-affluent peers, and they have fewer role models. Thus, there may be opportunities to extend the basic insights of the ECO model to help targeted students succeed by providing in-college guidance related to financial management and curricular choices.

#### ***5. Support rigorous research on information-based interventions.***

The ECO Project is just one of many important educational interventions that could help increase college access and diversity. The authors propose that the Institute of Education Sciences (IES) be given new powers to support information-based interventions to improve college choice. Currently, the IES approach—which is highly laudable—is to make competitive grants to researchers if they make their own arrangements to access data. In addition, IES encourages other divisions of the U.S. Department of Education to cooperate with researchers. However, encouragement is often insufficient. IES should be given additional powers so that, if it judges that a research project would be highly beneficial to American students, it would have the ability to ensure that the researchers gain access to the necessary federal data, under appropriate safeguards. This will ensure that IES sees research proposals based on whether they are important and feasible, not on whether some other division has already decided to sign off on data access—something it currently has almost no incentive to do.

## Conclusion

The ECO Project showed that providing high-quality and relevant information about college options to high-achieving, low-income students can have a significant impact on their behavior. This program greatly increased the number of such students applying to and attending selective colleges. Hoxby and Turner propose expanding ECO to reach all high-achieving, low-income students. In addition, Hoxby and Turner note that providing access to very detailed administrative data will not only improve the targeting of the ECO program but will also facilitate the design of similar interventions to help a broader group of college-ready students. These proposals could be important steps in ensuring that low-income students have equal access to America’s most-selective colleges and universities.

# Questions and Concerns

## 1. Can the ECO intervention feasibly be extended to all high-achieving, low-income high school students?

The ECO intervention was designed to be scaled up and provide the information to a large population of students. The expense of extending the program is unlikely to be a barrier because it only costs \$6 per student contacted. To scale the intervention to all high-achieving, low-income students, the program only requires the data on these students and the infrastructure to mail the information to the students. The software to customize the information for each student is already developed.

## 2. How do high-achieving, low-income students who do attend more-selective colleges perform at those schools?

High-achieving, low-income students are well-qualified to attend top institutions. In fact, among the few who do attend top colleges, the data suggest that low-income, high-achieving students thrive at colleges where their preparation is similar to that of their peers, many of whom are from middle- or high-income families. Interestingly, these students' outcomes are better than the outcomes of similar high-achieving, low-income students who attend less-selective schools.

## 3. Why do researchers need access to financial aid and income data? Would this compromise students' privacy?

The success of the ECO intervention depends, in large part, on researchers' ability to identify low-income, high-achieving students and provide them with customized, personally relevant information. Access to better data would allow the program to reach more potential students and to provide information that is of greater use because it is linked to their local educational opportunities and family circumstances. By providing researchers with selective information from administrative data sources—such as the geographic concentration of student aid recipients—the ECO program could be further improved and expanded. Such information does not require dissemination of personally identifiable data. For processing of sensitive data, the use of highly secure Research Data Centers or other procedures can be used to ensure that any personal information remains confidential.

## Highlights

Caroline M. Hoxby of Stanford University and Sarah Turner of the University of Virginia propose a national intervention to expand college opportunities for high-achieving students from diverse economic backgrounds and to allow better access to research data in order to more efficiently target and benefit more students.

## The Proposal

**Establish or partner with credible third parties for implementing and extending the Expanding College Opportunities (ECO) Project.** Partnerships with trusted institutions will help build credibility and increase the impact of the program, especially if outreach materials are disseminated alongside other important college-related materials.

**Expand the ECO interventions to serve more high-achieving, low-income students through partnerships with the College Board and ACT.** Implementing the ECO program through both the College Board and ACT would allow the intervention, which was designed to be fully scalable, to reach low-income, high-achieving students in almost every region of the country.

**Improve targeting and effectiveness of the intervention by providing ECO researchers with better access to data.** Access to federal databases would help researchers develop methods for better identifying students who could most benefit from ECO and similar interventions.

**Apply similar interventions to different students and outcomes.** ECO methods can be applied to help students in other ways, such as reaching younger students and students from middle-income families and advising low-income students on new challenges that face them once they enroll in college.

**Support rigorous research on information-based interventions.** Because the ECO Project is strengthened by the availability of detailed information on family characteristics at very fine levels of geography, the Department of Education and Institute of Education Sciences (IES) can improve the effectiveness of information-based interventions by improving researchers' access to administrative data.

## Benefits

The ECO Project is a low-cost and effective means of helping low-income, high-achieving students apply to and ultimately enroll in colleges that are better matched with their academic abilities. Allowing researchers better access to valuable federal databases will facilitate more-efficient targeting of students and wider outreach potential for ECO and similar interventions. More low-income high achievers attending more-selective universities could lead to a host of individual and social benefits, including higher lifetime earnings for students, greater diversity at the most-challenging colleges, a more skilled and productive workforce, and more social mobility for America.



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