Executive summary
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Do additional dollars buy engagement?

Effects of monetary incentives on attending financial aid counseling for at-risk students

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Executive Summary

To assist students in navigating the complex world of student financial aid, including grants and loans, the Office of Student Financial Services (SFS) at Georgia State University (GSU) has a Student Financial Management Center that provides proactive advising. Yet, despite the availability of these services, many students—even those in dire need of financial assistance and despite proactive outreach from the Center—never come for counseling. Our experiment is designed to test whether financial incentives can improve uptake of counseling and whether counseling improves student outcomes.

To ask these questions we embedded an experiment within SFS's ongoing activities. As Higher Education Emergency Relief Fund (HEERF) funding neared its end, SFS was slated to send emails notifying students who received this funding that it was coming to an end, further encouraging them to come in for financial counseling. During these advising sessions, students would be offered:

- Guidance on completing the financial aid process
- Advice on financial aid options available to them
- Loan and debt counseling, including repayment options to improve affordability
- Student success advising to ensure financial aid is not lost due to poor academic performance
- Basic financial literacy training

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Because students were already receiving funding from SFS, the emails came from a trusted source with which they were familiar. We used this existing framework to ask:

1. Can modest financial incentives increase uptake of financial aid counseling?
2. Can that counseling reduce student dropout, ease financial burdens, or improve student performance and graduation rates?
3. Is counseling more (or less) effective for hard-to-reach populations (who require larger incentives) to participate?

Our results can be summarized briefly:

1. Very few students who weren't offered a financial incentive attended an appointment—only 1.3%.
2. Financial incentives did buy engagement. Every $10 in incentives increased the likelihood students scheduled an appointment by nearly one additional percentage point.
3. Yet, students who attended because of the incentives did not have different outcomes from those who attended without a financial incentive, regardless of how much was paid to induce them to attend.

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