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EFP Takeaways

Effects of Year-Round Pell Grants on Community College Students

Background

The Pell Grant is the single largest source of federal financial aid for low-income college students. The program aims to reduce the cost of education for low-income students, which in turn seeks to increase enrollment and completion rates for low-income students in post-secondary education. One major challenge associated with the Pell Grant is that it only covers tuition for two full-time semesters, which means students are unable to take courses in the summer. To address these concerns, the Year Round Pell Grant program was implemented in 2009. The initial program lasted two academic years, but the program was reinstated by Congress in 2017.

Despite the potential benefits of the Year Round Pell (YRP) program, there is limited research on the effects of these programs. A new study in vol 15, issue 2 of *EFP* by Vivian Yuen Ting Liu at Teachers College, Columbia University investigates the effects of the YRP program on community college students.

The Study

Liu analyzed data from nearly 50,000 students who were Pell Grant eligible and entered the community college from 2006 through 2012 in an anonymous state. The data included demographic characteristics, program enrollment, transcripts, financial aid details, credential information, and labor market outcomes. Outcomes, which include enrollment, completion, and earnings, was compared to students who were admitted with and without the YRP. Outcomes were compared for part- and full-time Pell Grant-eligible students enrolled in community colleges before and after the implementation of the YRP program.

Findings

The YRP program has a number of positive effects. First, YRP eligibility increased disbursement of Pell Grant funds by \$249 per student. Enrollment in the summer semester increased by 7 percentage points for those in the YRP program. Further, there was a .4 percentage point increase in graduation for those students who received the YRP program. Alternatively, the YRP-eligible students were 1.8 percentage points less likely to transfer to a four-year institution.

Students enrolled in the YRP program were more likely to work in the fall semester, in anticipation for summer enrollment. This allowed them to an average of \$366 more per year than non-YRP enrollees. These estimates grow from \$292 to \$500 respectively in the second and third years from college entry.

Subgroup analysis indicates that these effects are greater in credential completion rate for women, associate degree graduation rates for men, and larger academic and earnings gains for older students.

Overall, the YRP program indicates positive results across all outcome measures: YRP students were 0.7 to 0.9 percentage points more likely to earn a certificate/diploma/associate degree. As such, the research speaks to the efficacy and continued need for the YRP program.

For more details:

- View the [full issue](#).
- See the [full article in Education Finance and Policy](#).
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- Summary of:
Liu, V. Y. T. (2020). Is school out for summer?: The impact of year-round Pell grants on academic and employment outcomes of community college students. *Education Finance and Policy*, 15(2), 241-269.