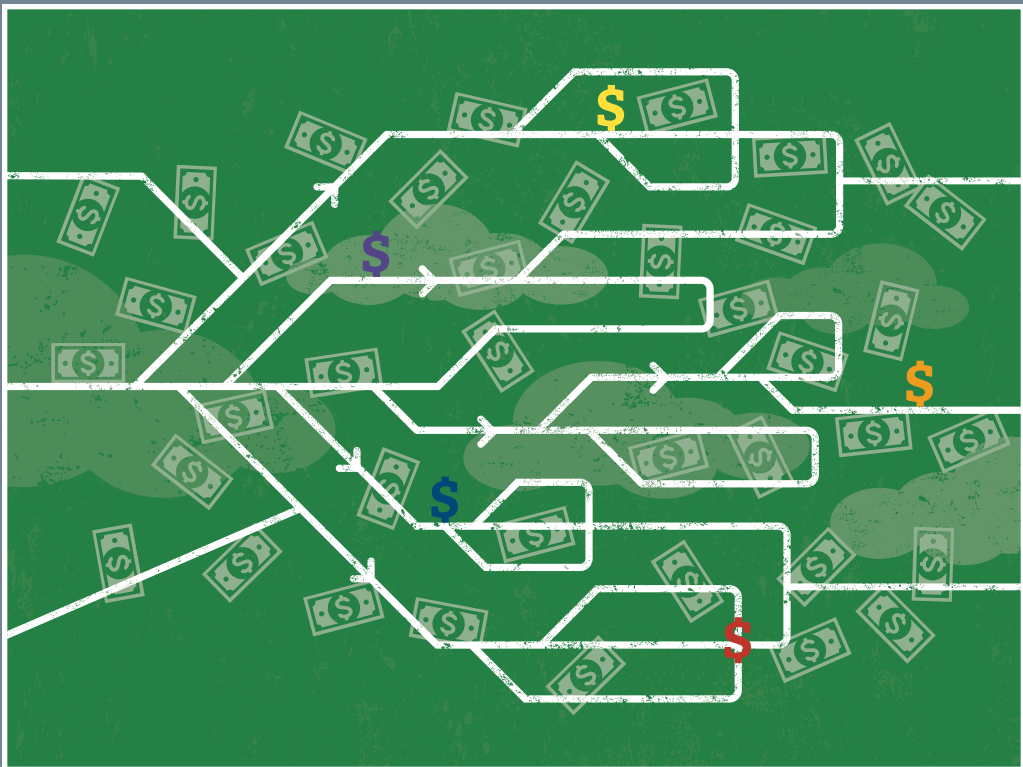


Undergraduate Financial Aid in the United States



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Section 5

Concluding Remarks

The primary objective of financial aid is to ensure that college is accessible to qualified students regardless of income. As tuition and fees continue to rise, financial aid policy will become ever more central to the future of undergraduate education. But the centrality of financial aid is not limited to questions of affordability. Financial aid programs and regulations have implications for many other domains of higher education as well, from how students prepare for college, to where they choose to go; from the expectations institutions set for student enrollment and performance, to the expectations others set for institutional performance and accountability.

Financial aid aims to make college affordable, but affordability is about value—the quality of education students receive for their investment—as much as it is about cost. Across institutions, and even across programs within institutions, quality varies tremendously, and evidence suggests that this variation matters for students’ future outcomes.¹⁰⁸ The lower-cost option is not always better for either students or taxpayers: programs that appear more expensive in terms of costs per enrollee may actually be cheaper in terms of costs per graduate.¹⁰⁹ Thus, figuring out the cost side of the college cost-benefit equation gets students only halfway to making good decisions.

If students can afford college but do not have the academic and structural support they need to succeed, the impact of aid is substantially diminished. Thus, the effectiveness of financial aid policies is not just central to, but inherently intertwined with, the effectiveness of undergraduate education as a whole. Financial aid on its own cannot be the sole leverage point with which to address every challenge facing higher education. But if policy-makers can better address issues of cost, that might free up the time and energy that millions of students, families, and staff currently spend just figuring out how to pay for college and redirect it toward other essential questions: where to go, what to study, how to prepare, and how to succeed.

108. Bowen, Chingos, and McPherson, *Crossing the Finish Line: Completing College at America’s Public Universities*.

109. Henry M. Levin and Emma Garcia, *Benefit-Cost Analysis of Accelerated Study in Associate Programs (ASAP) of the City University of New York (CUNY)*, Center for the Benefit-Cost Studies in Education (New York: Teachers College, Columbia University, 2013).