DOES INSTITUTIONAL GIFT-AID HELP LOW-INCOME COLLEGE STUDENTS SUCCEED? EXAMINING THE DIFFERENTIAL EFFECTS OF INCOME AND INSTITUTIONAL GIFT-AID TYPE ON PERSISTENCE AND GRADUATION (158 pp.)

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The purpose of this comparative quantitative study was to examine the relationship between institutional gift-aid and the persistence and graduation rates for low-income students in a large, public four-year university in the Midwest. Data from the 2011 cohort of first-time, full-time, degree-seeking students were examined. Using a non-experimental approach, the researcher analyzed descriptive statistics, life tables, and logistic regressions to answer the research questions. A supplementary analysis with conditional inference trees was also included. The goals of the analysis were twofold. The first was to test the hypothesis that there exists a statistically significant outcome gap between low- and higher-income students at the institution. The second was to test the hypothesis that institutional financial aid has practical significance in addressing said outcome gap. The research design of this study can be employed by researchers studying low-income students and financial aid at other institutions.

Overall, the findings supported the researcher’s hypotheses and aligned with extant educational theory. In this study, low-income status was negatively related to desirable student outcomes (i.e., persistence and timely graduation). Further, different types of gift-aid may have been differentially effective in addressing institutional departure behavior. The amount of merit-aid, in particular, was positively associated
with student persistence. The interaction effects of income and aid did not reach statistical significance in most cases, indicating that income may not have been a mediating factor in aid-persistence and aid-graduation relationships.