

## COMMENTARY

## Are Students Affected by Colleges' Small Application Barriers?

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## PUBLISHED: January 13, 2015

Attending college is increasingly both costly and time consuming, and represents one of the largest investments people make in their lives, so one would expect students to engage in a thoughtful and deliberate college choice process. However, there is an increasingly large literature that shows students are not behaving optimally in the college application and enrollment processes. For example, Pallais (2013) shows that students rely on rules of thumb when applying to colleges that result in too few college applications, while Hoxby and Avery (2013) demonstrate that many high-achieving low-income students fail to apply to or enroll in the colleges that have higher graduation rates and would also likely be more affordable. Our new paper, "Screening Mechanisms and Student Responses in the College Market" offers new evidence that students respond to relatively small costs in the college application process. Specifically, we investigate the prevalence of college application essays and magnitude of application fees and show their usage can have sizeable effects on applications and enrollment.

How often are application essays used by colleges for admission and how often do colleges increase their application fees? We answer these questions using data from the Annual Survey of Colleges (ASC) on 885 four-year colleges for the entering cohorts of 2003–2011. In 2003, 49.8% of four-year colleges required an application essay and that number increased to 56.8% by 2011 (and some colleges dropped the essay requirement). Over the same time period, approximately 50% of colleges increased their application fees at least once. Among colleges that increased application fees, the average increase was 30%, which only amounts to \$10.

How do essays and application fees affect student behavior? To answer this question, we bring in student application and enrollment data from the Integrated Postsecondary Education Data System (IPEDS) for the same years. We examine how application and enrollment changes at a college that alters its admission process (relative to trends at colleges that don't change their admission processes). Methodologically speaking, colleges could be changing their processes in response to previous years' dips or spikes, and so we account for that by adjusting for a measure of popularity—last years' number of SAT Score Sends. With this methodology, we find that requiring a college application essay decreases the number of applications received at that college by 6.5%. We also find that increasing the application fee by 10% corresponds to roughly a 1% decrease in applications.

What does this mean for students, colleges, and policymakers? For students (and those advising students), don't let these small costs and procedures stand in the way of what you want. For colleges, carefully consider your admission policies and how they affect your applicant pool. Do you want fewer applicants that demonstrate that these hurdles are not going to stop them? Or do

you want more applicants so that you can find the diamond in the rough? For policymakers, these small procedural barriers are merely examples of how students can get tripped up in the application process. Are there ways to simplify the process or change the entire system? Regardless of where you sit, one thing is for sure—the college admissions process matters.

The <u>full study</u> can be found in Smith, Jonathan, Michael Hurwitz and Jessica Howell, Screening Mechanisms and Student Responses in the College Market, Economics of Education Review, Volume 44, February 2015, Pages 17–28. Ungated version can be found <u>here</u>.

Suggested citationSmith, J., Hurwitz, M., & Howell, J. S. (2015, January) *Are students affected buy colleges' small application barriers?* [Commentary]. Policy Analysis for California Education. https://edpolicyinca.org/newsroom/are-students-affected-colleges-small-application-barriers



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