

**A Study to Identify Influences of
Financial Aid on the Enrollment and
Retention of Hispanic Students in Higher
Education**

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Abstract

In fall 2009, three professors realized that attrition was high among Hispanic university students and felt there was a need for a study to identify factors that influence Hispanic students' experiences in higher education. The purpose of this study was to identify factors that influence Hispanic students' experiences in higher education via a model that associates enrollment and retention levels with student satisfaction concerning financial aid. More specifically, this study attempted to capture students' perceptions of the financial aid office concerning the performance of services and the level of satisfaction related to human interface. Targeted factors in this study were based on identified concerns expressed by students in two Hispanic focus groups.

Introduction

In fall 2009, three professors, Dr. Charles McDonald, Dr. Theresa McDonald, and Dr. Larry Davis, realized that attrition was high among Hispanic university students and felt there was a need for a study to identify factors that influence Hispanic students' experiences in higher education. In addition, there was concern because Hispanics were underrepresented in higher education based on population figures.

The purpose of this study was to identify factors that influence Hispanic students' experiences in higher education related to financial aid. It is hoped that the results of this study will identify areas for improvement that, once addressed, will enable educational institutions to better serve Hispanic students by increasing levels of enrollment and retention.

"Students in institutions of higher education are becoming more consumer-oriented than ever before. As a result, the turnover rate is increasing—students are leaving universities almost as fast as new students are enrolled. This is both costly and inefficient" (Schertzer & Schertzer, 2004, p. 79). Successful businesses know that maintaining their present customers is more cost effective than attracting new customers to replace those that were lost. In education, "any effort to attract students whose needs better fit what the individual academic institution has to offer should" maintain or increase levels of retention (Schertzer & Schertzer, p. 80).

There is a strong debate among researchers concerning the relationship between student satisfaction and retention. One group reports that if concerns for student retention are critical, institutions need to focus on meeting student's expectations, which may not parallel providing the highest quality education. Other studies report that student satisfaction may not affect student retention levels (Gaskell, 2009, p. 193-195). Factors that were not included in this study, but have been included in other studies, include measurements from individual classes, course methodologies, and professors.

This paper supports a model that associates enrollment and retention levels with student satisfaction concerning financial aid. Factors were targeted in this study based on identified concerns expressed by students in two Hispanic focus groups.

Research Question

The research question is: *“What influences, if any, does financial aid have on the enrollment and retention of Hispanic students in higher education?”*

Background

Reported by Root (2011), the population of Texas grew by more than 20% in the last decade while the number of Texas Hispanics increased by 42%. Hispanics account for 66% of the population growth in Texas for the last decade and represent 38% of the state’s population.

Of the U.S. population aged 25 and older, 26% of the Hispanics are high school graduates while 29.3% of the Caucasians (non-Hispanic) are high school graduates. Only 12.7% of the Hispanic population in this age group are college graduates; whereas, 31.1% of Caucasians in this age group are college graduates. In the 18 to 24 age group, Hispanics are further underrepresented with only 1.6 million or 29.1% of their population enrolled in college; whereas, over 8 million or 45.7% of Caucasians are enrolled in higher education (Pew Hispanic Center, 2011, Statistical Portrait of Hispanics in the United States, 2009, <http://pewhispanic.org/factsheets/factsheet.php?FactsheetID=70,2-17-2011>).

The U.S. Hispanic population in 2010 was 50.5 million. In this group, 33.3 million Hispanics were aged 18 or older (Pew Hispanic Center, 2011). Texas population has grown 21% in the last ten years and now exceeds 25 million. The 2010 Census data reports there are now 9.1 million Texas Hispanics and 48% of all Texan’s under the age of 18 are Hispanic (Guadalupe, 2011).

In Northeast Texas there are three institutions of higher education. Northeast Texas Community College (NTCC) is located in Mt. Pleasant; Texarkana College (TC) is located in Texarkana, Texas; and Texas A&M University-Texarkana (TAMU-T) is located in Texarkana.

More than 90% of the Hispanics served by these institutions reside in Bowie or Titus County, Texas. The U.S. Census Bureau (2010) reports 11,810 Hispanics reside in Titus County, and 5,732 Hispanics reside in Bowie County.

Methodology

In April 2010, a Hispanic focus group comprised of volunteer TC and TAMU-T students met at the TAMU-T south campus. It was attended by 22 Hispanic students. A week later, a second Hispanic focus group meeting comprised of volunteer students was held at the NTCC campus which attracted 25 students. The goals of these focus group meetings were to identify, from a Hispanic student’s prospective:

- factors that encourage or inhibit enrollment in higher education institutions,
- factors that affect retention and dropout rates,
- needs, preferences, and thoughts concerning higher education,

- experiences or problems with financial aid offices,
- experiences or problems with qualifying for scholarships and grants,
- experiences or problems with class formats or content, and
- other problems as defined by students.

Apparently, several of the focus group attendees did not possess a Social Security Number. Some attendees explained that not having a Social Security Number (undocumented students) creates multiple problems for Hispanics and international students. The following are some voiced concerns associated with not having a Social Security Number:

- one must be a 3-year resident of Texas to pay in-state/in-district tuition; otherwise, pay out-of-state tuition,
- jobs are difficult to obtain,
- one cannot get a work-study student job,
- one cannot apply for a Pell grant,
- one cannot get a driver's license,
- one cannot apply for a scholarship, and
- one experiences a 5-year wait to acquire a Social Security Number.

Some needs expressed by students in the focus groups were:

- on-campus housing (dorms were opened the following year),
- ethnic-related scholarships,
- jobs for international students,
- scholarships for summer courses,
- peer tutors that speak Spanish,
- ethnic study groups that require only English be spoken,
- business terms/English comprehension course with peer tutors,
- courses that provide notes versus buying textbooks, and
- traditional face-to-face instruction versus Web-based format.

In each of the focus group meetings, attendees frequently represented more than one targeted campus. Their comments concerning the financial aid office are reported here, but their opinions for each campus were segregated to each campus via the instrument. Their comments specific to the financial aid office were:

- They "don't answer questions...students need information!";
- They are unfriendly, rude, uncaring...not people oriented;
- They offer short answers with no options;
- They are slow in processing Pell grants;
- They have a negative perception of Hispanic students;
- They do not return phone calls;
- They have a language/culture barrier and need a Hispanic presence;
- Hispanic students feel that "...it is hard to attend TAMU-T"; and
- Students do not want a loan while waiting for a Pell grant to be processed.

Miscellaneous comments were:

- First impressions are very important to Hispanics;
- Hispanics have two major problems, money and information;
- Hispanic families want students to stay near home;
- Hispanics need meetings for parents that explain concepts and answer questions;
- Most Hispanic parents cannot help students with schoolwork;
- Hispanics have the concept of “raised to work”;
- Hispanics need confidence building exercises and sometimes a little push (or pull);
- There needs to be more activities, support systems, and bonding for Hispanics;
- Book voucher’s cannot be used online and they are a hassle to use at the bookstore;
- The Career Fair needs a Hispanic presence; and
- Students may draw financial aid at only one institution. Many students dual-enroll at TC and TAMU-T and can qualify for minimal (if any) financial assistance. Some students need to take courses at both institutions in the same semester; therefore, institutions need to work together to provide financial aid.

Comments from these focus groups were considered in developing a paper-based instrument that was administered to TAMU-T and NTCC students in April 2010. In addition, an electronic version of this instrument was offered to students via the Web.

The instrument was in a typical five-level Linkert scale format. Choices included *Strongly Agree*, *Agree*, *No Opinion*, *Disagree*, and *Strongly Disagree*. Only students that consented to be a voluntary participant in this study were allowed to complete the survey. The survey collected student demographics and opinions concerning financial aid, admissions, degree planning, and overall reflections of their satisfaction with NTCC, TC, and TAMU-T. Although this survey collected data on multiple facets of higher education environments, only data related to financial aid was included in the dataset for this paper.

It should be noted that Texarkana College elected not to participate in this study. Data representing TC was limited to TAMU-T students that had attended TC or that were co-enrolled at TC. It is reasonable to assume that data representing TC is biased and may not represent the true feelings of the Hispanic student body as the sample size was small, and it does not include students that were solely enrolled at TC.

There were 178 surveys collected from Hispanic students that were currently enrolled at NTCC, TAMU-T, or co-enrolled at NTCC and TAMU-T. Data representing TC were collected from students that were previously enrolled or presently co-enrolled at TC. As expected, not all sections of the instrument were completed by each student. Only three instruments were completed via the Web; 121 were completed at the NTCC campus; and 54 were completed at the TAMU-T campus.

Focus groups met and the instrument was developed in April 2010. A bias may have been introduced by distributing the surveys during the last two weeks of the spring 2010 semester.

The issue is that responses from Hispanic students representing attrition in that semester would not have been collected.

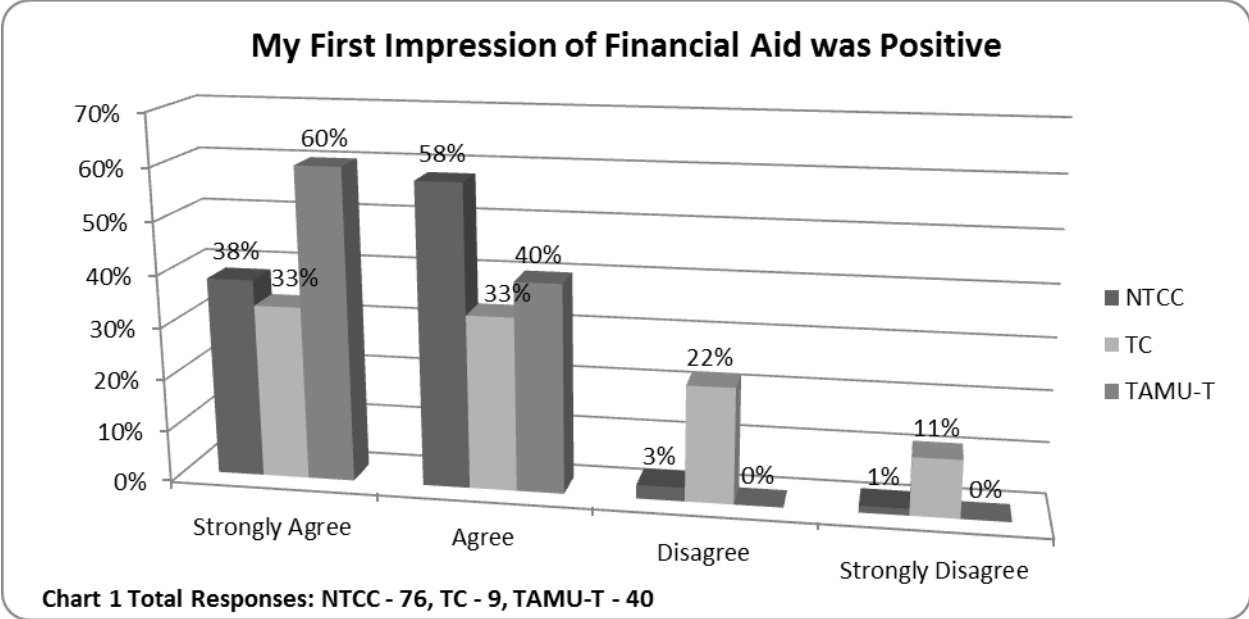
The authors developed two rules to identify what they deemed to be invalid responses. In the first rule, if the response for *Personnel were friendly and courteous* and the response for *Personnel were rude and uncaring* received the same value (e.g., *Strongly Agree*), the responses from that student in that section would be excluded from use in this study. The second rule required that if more than 13 of the 15 responses related to Financial Aid received the same value (e.g., *Strongly Agree*), responses from that student in that section would be excluded from use in this study. The purpose of this rule was to eliminate data where responses to “*Personnel were friendly and courteous*” and “*Personnel were rude and uncaring*” received the same response. Additional delineation of this rule is provided in the findings. In addition, only responses from students who were currently enrolled or had attended the respective institution would be used in this study.

For meaningful comparisons across institutions, all chart values represent a percentage of the responses for that institution concerning that stimulus. As an example, in NTCC’s first chart, NTCC received 32 *Strongly Agree* responses from 83 validated responses of students that had attended or were currently attending NTCC. The formula $32/83$ provided the value 38% used in this chart.

Findings

One hundred and seven Hispanic students claimed Spanish as their first language; whereas, 70 students selected English as their first language. Female students outnumbered male students 115 to 61. About 57% of the respondents were in the 18 to 22 age group, 24% in the 23 to 29 age group, and 12% in the 30 to 39 age group. Rankings revealed 61 freshmen, 45 sophomores, 33 juniors, 26 seniors, and 9 graduate students.

Students participating in the focus groups emphasized the importance of first impressions to Hispanic students. The stimulus *My First Impression of Financial Aid was Positive* was created to measure students’ initial perceptions of the Financial Aid Office. In Chart 1, TAMU-T received the most favorable evaluation with 100% of the responses indicating *Strongly Agree* or *Agree*. Although NTCC received 96% of their responses in the *Strongly Agree* or *Agree* categories, only 38% was in the *Strongly Agree* category versus TAMU-T’s 60% in the *Strongly Agree* category.



Responses to the stimuli *Personnel were Friendly and Courteous* and *Personnel were Rude and Uncaring* were included in the survey to measure student's satisfaction with the human interface element of the Financial Aid Office. In addition, these stimuli served as a means for data validation. If a student selected the same value for both stimuli, the responses from that student for that institution were excluded from the sample. Of the 136 respondents that were either presently enrolled or previously enrolled at NTCC, 27 responses were excluded because they had identical responses to both of these stimuli, and 22 were excluded with *No Opinion* responses. There were 83 respondents that were either presently enrolled or previously enrolled at TAMU-T; 27 responses were excluded because they had identical responses to both of these stimuli; and 24 were excluded with *No Opinion* responses. As depicted in Chart 2 and Chart 3, data reveals that 33% of respondents from TC expressed negative feelings concerning personnel in the financial aid office (only 9 responses). The data depicts NTCC with 8% of respondents with negative feelings concerning Financial Aid personnel. It appears that TAMU-T had about 2% of respondents with negative responses.

Financial Aid Personnel were Friendly and Courteous

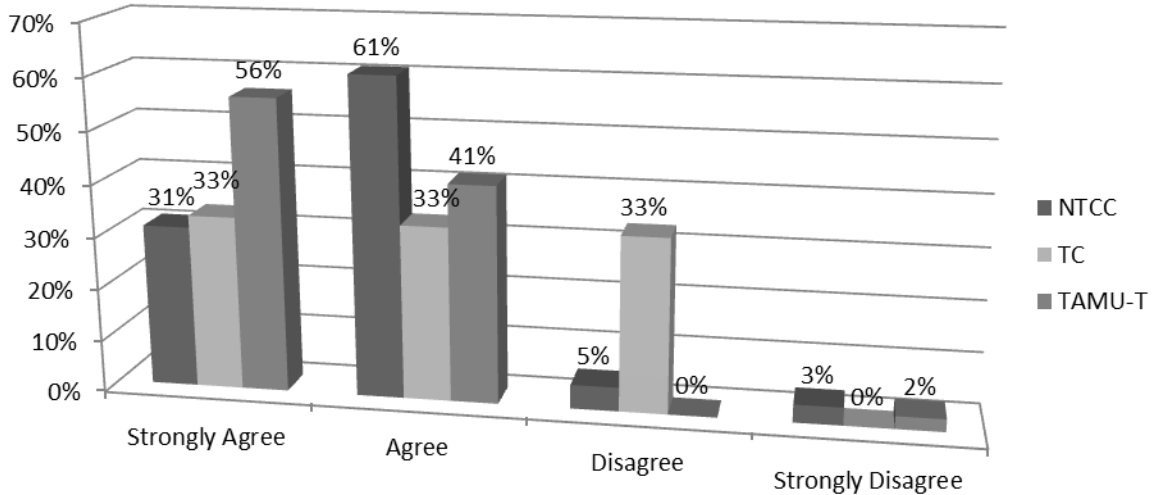


Chart 2 Total Responses: NTCC - 87, TC - 9, TAMU-T - 41

Financial Aid Personnel were Rude and Uncaring

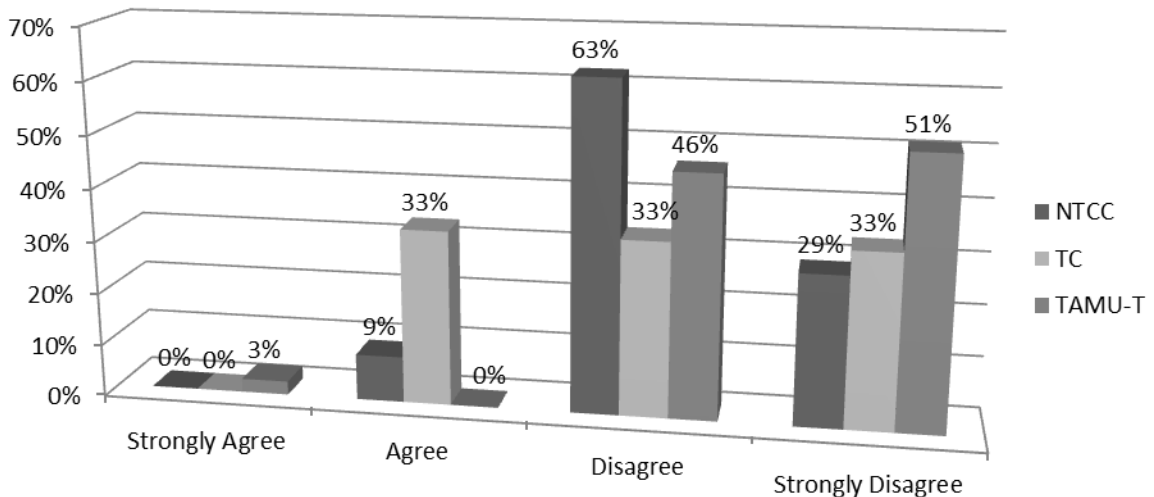
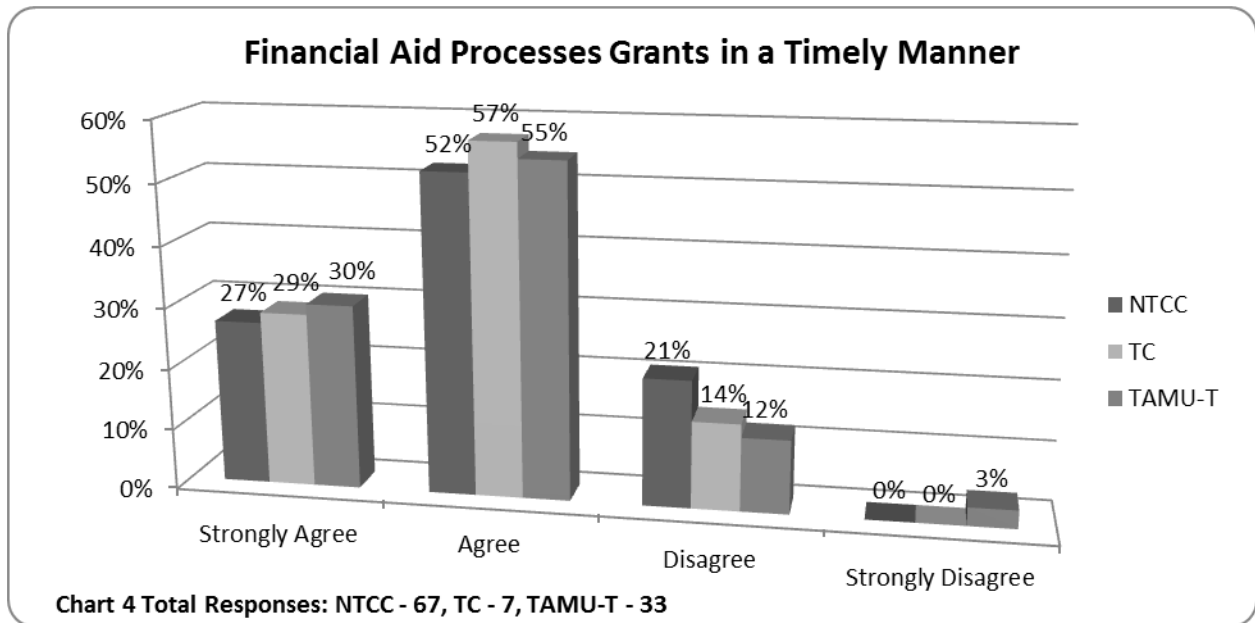


Chart 3 Total Responses: NTCC - 80, TC - 9, TAMU-T - 39

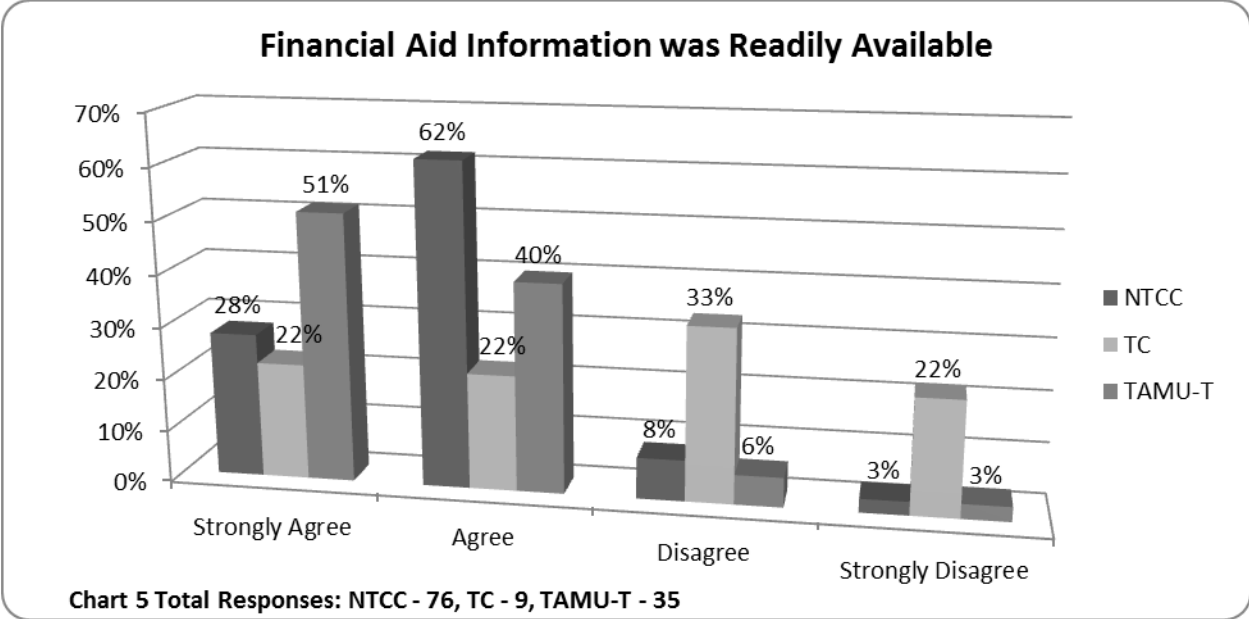
The first three stimuli, *My First Impression of Financial Aid was Positive*, *Financial Aid Personnel were Friendly and Courteous*, and *Financial Aid Personnel were Rude and Uncaring* were included to measure the level of student satisfaction with human interface elements in the Financial Aid Offices at NTCC, TC, and TAMU-T. Only about 2% of the sample from TAMU-T reflected negative feelings; whereas, 4% of NTCC respondents reported a negative first expression.

Timely processing of grants is important for each student's success. During the focus group meetings, students shared hardship stories of untimely grant processing and payments that delayed the purchase of textbooks for several weeks into a semester. About 70% of the Hispanic survey respondents reside in Titus County. In 2009, 18.4% of the residents of Titus

County had an income below the poverty level and 6.8% of these residents had a 50% below poverty level income (The County Information Project, Texas Association of Counties, n.d.). Obviously, low incomes accentuate the need for timely grant payments. In Chart 4, responses concerning the stimulus *Financial Aid Processes Grants in a Timely Manner* revealed that 15% of TAMU-T's respondents, 21% of NTCC's respondents, and 14% of TC's respondents expressed dissatisfaction with the timely processing of grants. Apparently, significant issues with grant processing needs to be addressed to better serve Hispanic students at these institutions.



One of the concerns strongly expressed in the focus group meetings was that financial aid information was not readily available in the Financial Aid Office. In Chart 5, it appears that 11% of respondents from NTCC and 9% of respondents from TAMU-T reflected concerns in responding to the stimulus *Financial Aid Information was Readily Available*. Although the response from both NTCC and TAMU-T were approximately 90% positive, only 28% from NTCC reported *Strongly Agree*, compared to 51% from TAMU-T. Concerning TC, five of the nine respondents selected negative responses. Although the study did not identify specific information that was unavailable, based on feedback from the focus group meetings, it appears that concerns were related to procedures, qualifications, and timelines for grant or scholarship applications.



Comments shared during the focus groups revealed that some students perceived that a language or culture barrier existed in the Financial Aid Offices concerning Hispanic students. In Chart 6, responses to the stimulus *Financial Aid has a Language/Culture Barrier* supports their perception as 33% of NTCC's students and 18% of TAMU-T's students selected *Agree* or *Strongly Agree* responses. Although TC reported similar results, data were represented by only five responses.

Based on feedback from the focus group meetings, it appears that institutions could reduce the perception that a language or culture barrier exists in the financial aid office by adding a Hispanic presence. For an institution to increase its levels of enrollment and retention, it should address the rationale for student's dissatisfaction with financial aid with intent to better serve students.

Financial Aid has a Language/Culture Barrier

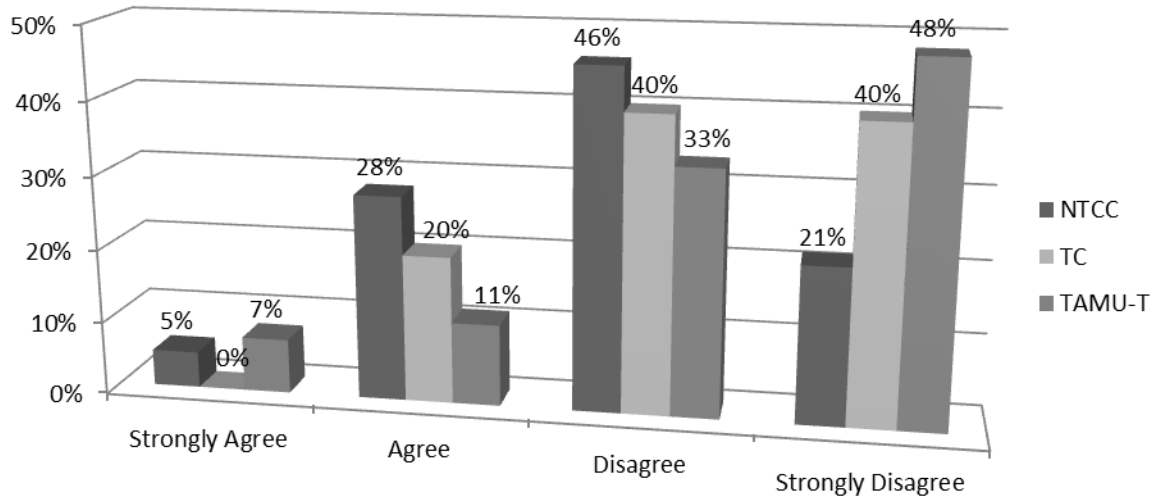


Chart 6 Total Responses: NTCC - 61, TC - 5, TAMU-T - 27

As depicted in Chart 7, 84% of NTCC’s responses and 95% of TAMU-T’s responses selected *Agree* or *Strongly Agree* to the stimulus *Financial Aid Provides Quality Service to Students*. About 66% of TC’s responses were in the *Agree* or *Strongly Agree* categories; although, their data was represented by only nine responses. The authors were surprised with data that exemplified concerns for a *cultural barrier* were not a factor in evaluating quality of service to students.

Financial Aid Provides Quality Service to Students

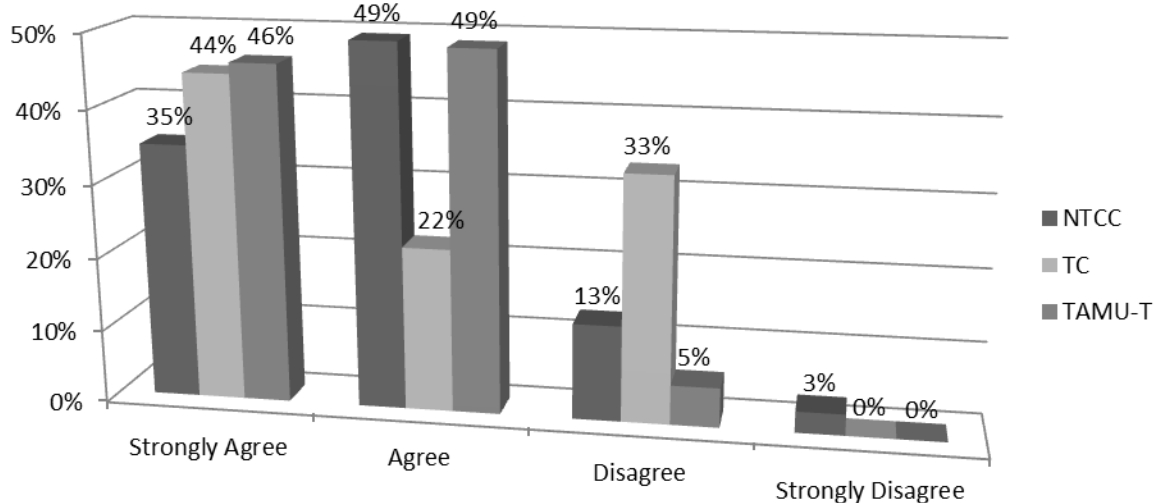
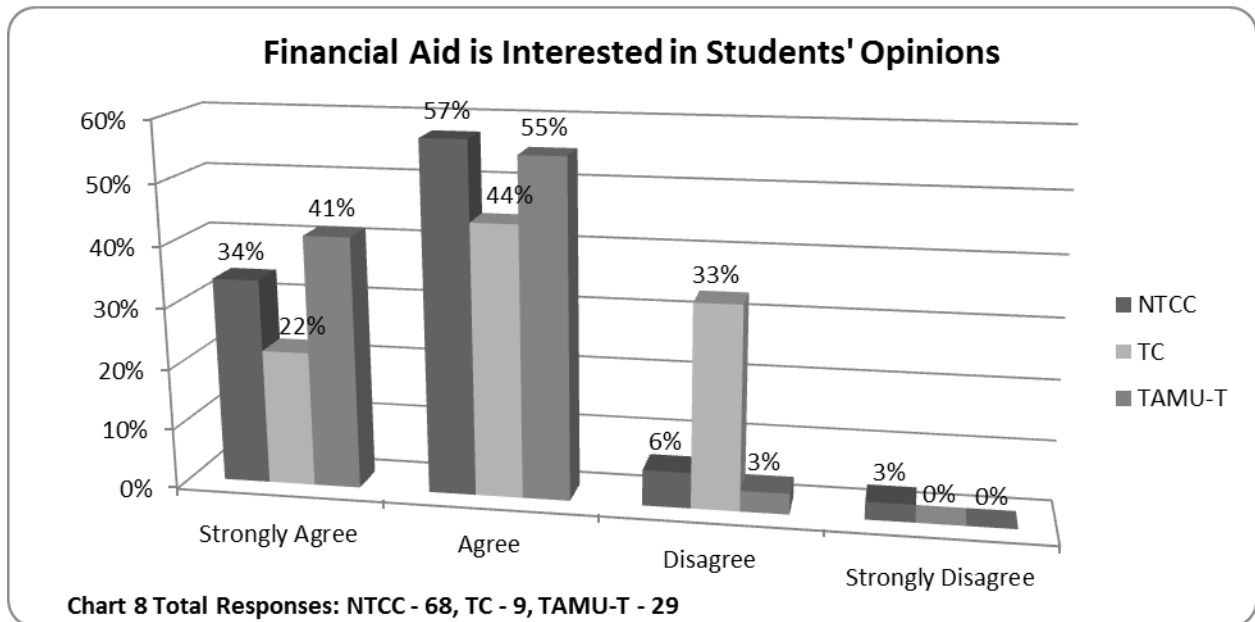


Chart 7 Total Responses: NTCC - 69, TC - 9, TAMU-T - 37

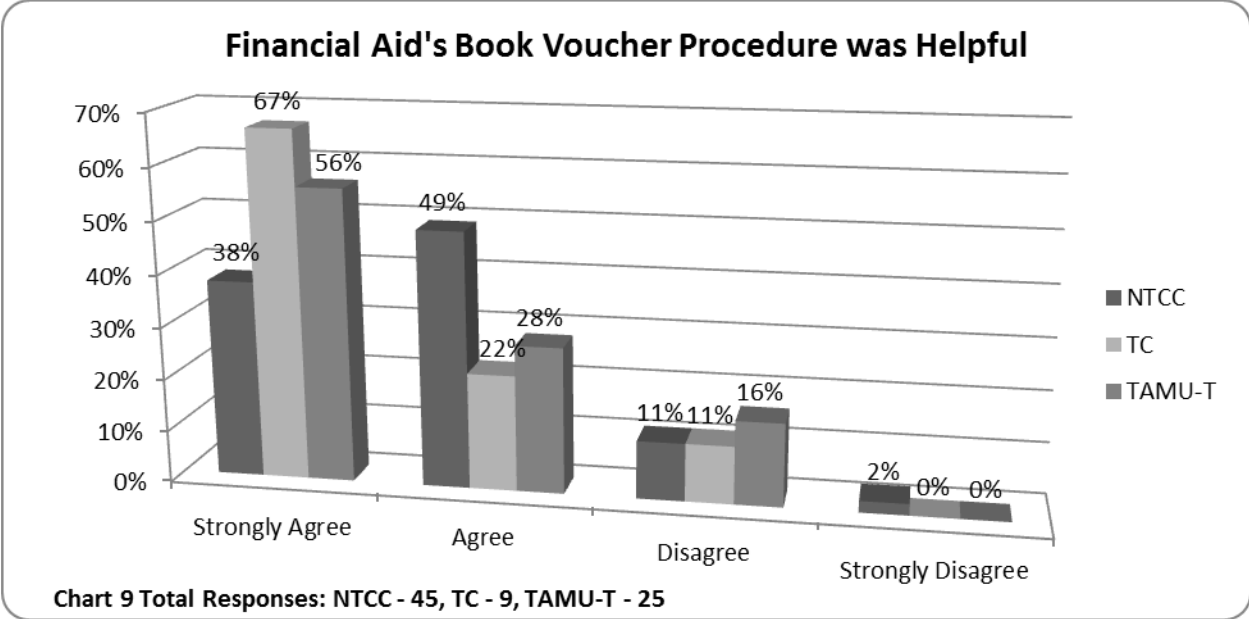
It is important for Hispanic students to perceive that the financial aid office is interested in their opinions. Although in the focus group meetings, students expressed that a negative perception of Hispanic students exists in higher education institutions, a positive response was received in Chart 8 to the stimulus *Financial Aid is Interested in Student’s Opinions*. Data from this stimulus

revealed 91% of NTCC's responses and 96% of TAMU-T's responses were in the *Agree* or *Strongly Agree* categories. About 66 % of TC's responses were in the *Agree* or *Strongly Agree* categories; although, TC's data was represented by only nine responses.



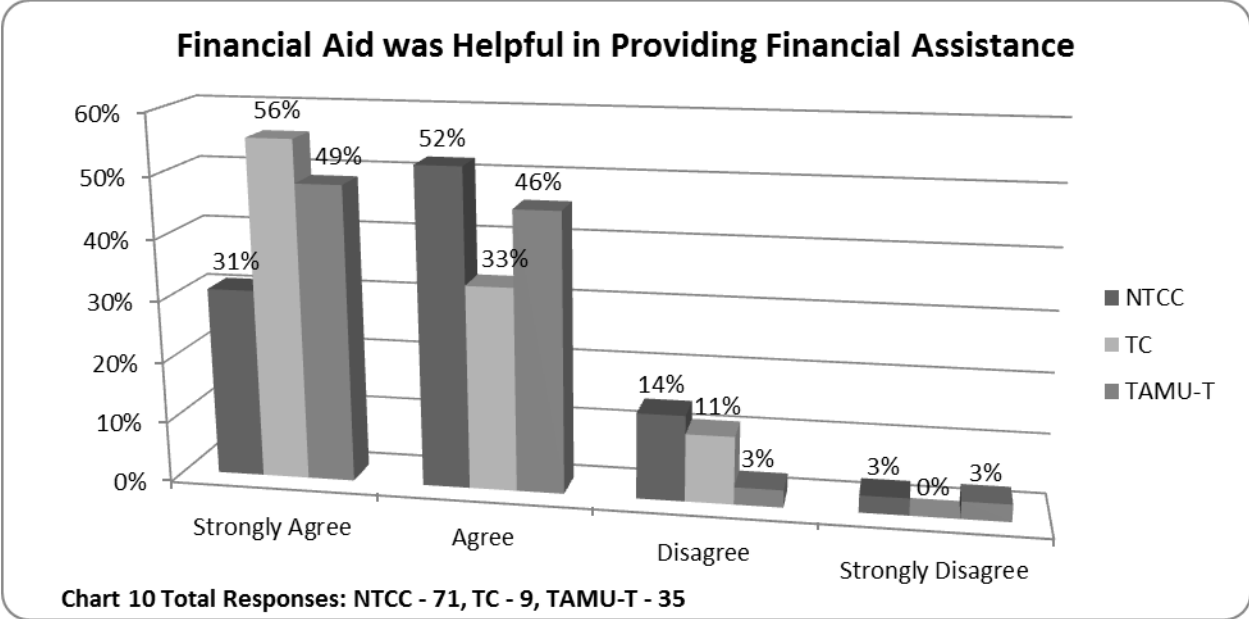
During the focus group meetings, concerns were expressed about the usefulness of the book voucher. In Chart 9, the stimulus *Financial Aid's Book Voucher Procedure was Helpful*, more than 85% of all responses were favorable. About 87% of responses from NTCC, 84% of responses from TAMU-T, and 89% of responses from TC were in the *Agree* or *Strongly Agree* categories. Across these institutions, between 11% and 16% of responses to this stimulus were in the *Disagree* category.

After the survey was completed, it was discovered that concerns related to the book voucher were focused on the availability of textbooks in the college bookstore. Once issued, a book voucher expired within a few days, but if the bookstore did not have the textbook in stock, the voucher expired without the student acquiring a textbook. As a result, the voucher was probably helpful to a student only if the bookstore had the textbook in stock.



In Chart 10, the stimulus *Financial Aid was Helpful in Providing Financial Assistance* was included to determine if the financial aid office was providing acceptable financial assistance to students. Data from this stimulus reported 17% of NTCC's, 11% of TC's, and 6% of TAMU-T's responses were in the *Disagree* or *Strongly Disagree* categories.

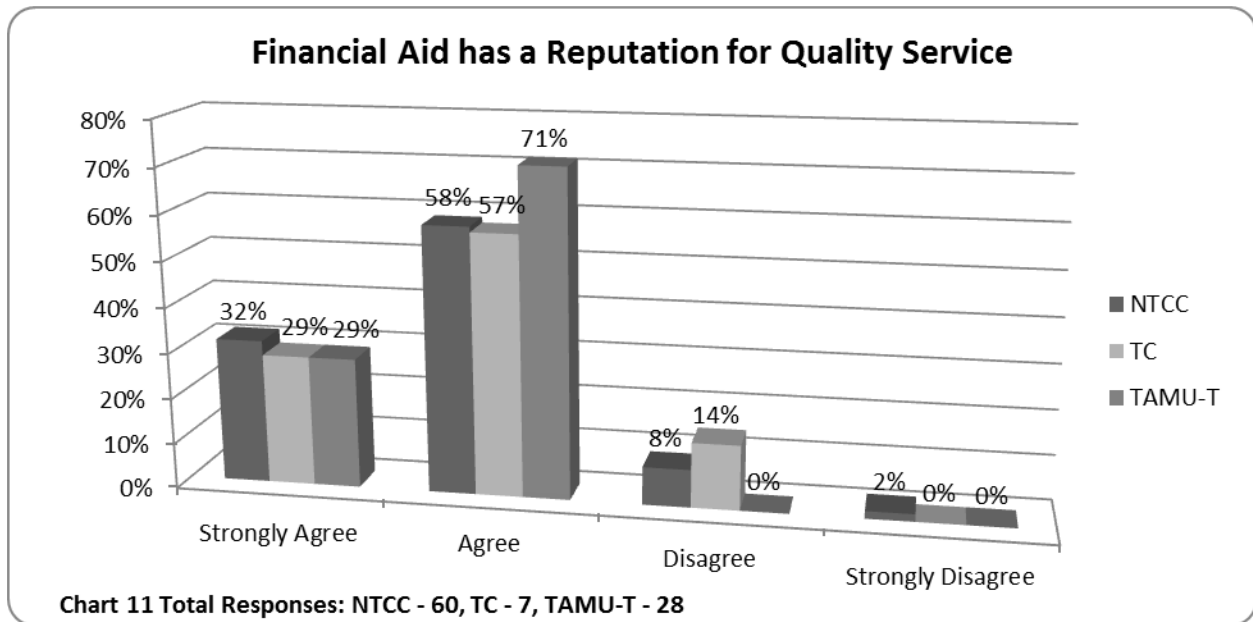
It appears that in spite of expressed concerns during the focus group meetings, about 90% of the respondents in this sample were pleased with services provided by the Financial Aid Office.



In the focus group meetings, students shared stories of negative experiences with the Financial Aid Office; therefore, a stimulus to address the Financial Aid Office's reputation was included. In Chart 11, the stimulus *Financial Aid has a Reputation for Quality Service* depicted 100% of

TAMU-T's, 90% of NTCC's, and 86% of TC's responses were in the *Agree* or *Strongly Agree* categories.

This stimulus was included as perhaps the most important measurement of overall performance for the Financial Aid Office. In contrast to the negative feelings expressed in both focus group meetings, about 90% of responses indicated the financial aid office has a reputation for quality service.



Conclusions

The data generated by the study did support an answer to the research question posed: *“What influences, if any, does financial aid have on the enrollment and retention of Hispanic students in higher education?”*

For many Hispanics seeking higher education in East Texas, securing financial aid is their first critical step in their enrollment process. Enrollment and retention levels among Hispanics in higher education are strongly influenced by their perception of service provided by the financial aid office.

Contrary to indications expressed in both focus group meetings, NTCC and TAMU-T Hispanic students were generally pleased with the overall performance of the financial aid offices. It appeared that most identified concerns were associated with a perceived cultural barrier or the lack of a Hispanic presence. This was most evident at NTCC where about 40% of the student population is Hispanic. The study did identify two tangible issues that need to be addressed: the timely processing of grants and the procedural problems associated with using book vouchers.

Although the charts indicated significant areas of concern for the financial aid office at Texarkana College, their depiction was represented by less than ten responses and the sample

did not include students that were solely enrolled at TC. Recommendations for change based solely on this sample would not be valid.

This study was not designed to capture data relating to candidate students that were evaluated as ineligible for financial aid assistance and, without funding, could not enroll. In addition, it remains unknown as to the number of candidate students that did not attempt to enroll believing that they would not qualify for financial aid assistance.

Note that International students with five years of residency in the United States that have completed the 12th grade in a United States high school are eligible to apply for a Social Security Number and an Employment Authorization Document (a work permit).

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