State-Funded Merit Scholarships Shown to Improve College Completion Rates

BYLINE: DAVID GLENN

Susan M. Dynarski, an associate professor of public policy at Harvard University's John F. Kennedy School of Government, used data from the 2000 census to estimate the effects of publicly financed scholarship programs in Arkansas and Georgia.

Ms. Dynarski estimated that, on average, when a state introduces such programs, the proportion of its young people who complete an associate or bachelor's degree will rise by three percentage points.

For example, people born in Arkansas who were between 28 and 34 years old at the time of the 2000 census — that is, people who would have graduated from high school before the state's merit-aid program began — earned college degrees at much lower rates than the national cohort of 28- to 34-year-olds.

But Arkansas-born people who were between 22 and 27 at the time of the 2000 census — those who might have been eligible for the merit-aid program — earned college degrees at rates that were much closer to the national average (although still lower).

Although Ms. Dynarski said that the merit-aid programs appear to be cost-effective, she emphasized their limits, noting that many students continue to drop out of college in states with broad-based merit aid.