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*A Difference-in-Difference Analysis of
“Promise” Financial Aid Programs on
Postsecondary Institutions*

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12 – 1pm*

Education Building, Room 242

* A light lunch will be served

This work examines the impact of “Promise” programs on postsecondary institutions’ decision-making. Promise programs have garnered widespread attention in the U.S., especially after the announcement of the Kalamazoo Promise, but relatively little scholarly research. Promise programs provide grant aid to all students from a particular geographic location and make an early financial aid commitment. Using a 2000-2012 panel dataset, this work employs a quasi-experimental difference-in-difference methodological design to consider the impact of Promise programs on postsecondary institutional behavior. Promise programs are found to influence behavior related to tuition and fee setting, and grant aid awards. The direction of the effects are different for two- and four-year institutions. In addition, generally larger magnitudes are found at geographically proximate institutions. Additional on-going work that considers the impact of Promise programs on the internal expenditure decisions of postsecondary institutions will also be discussed.

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Please direct questions about this event to Jennifer A. Delaney delaneyj@illinois.edu