



NEWS RELEASE

FOR IMMEDIATE RELEASE
May 11, 2004

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Groundbreaking Research Confirms Cal Grants Help Students Stay In School

RANCHO CORDOVA—The California Student Aid Commission and EDFUND today released a groundbreaking report summarizing recent research that found Cal Grants make a significant difference in college students' abilities to achieve a higher education.

The report, *Determined To Succeed: Realizing the College Dream in California*, culminates a two-year research study that tracked the 1998 cohort of financial aid applicants in California. The study finds that Cal Grant recipients were much more likely to re-enroll in college for second and subsequent years than those who didn't receive a Cal Grant.

"This report and its supporting research confirm what financial aid advocates in California have been saying for years: Cal Grants work," said Commission Executive Director Diana Fuentes-Michel. "Student financial aid in general – and the Cal Grant Program in particular – literally changes lives."

The study found that 96.5% of Cal Grant A recipients re-enrolled for a second year – the highest rate for any group within the cohort studied. Perhaps even more remarkable, 93% of Cal Grant B recipients – students from very disadvantaged backgrounds – re-enrolled for a second year.

"In addition to its findings regarding Cal Grants, the report also reveals that 88% of financial aid applicants – more than anyone originally thought -- re-enrolled after their first year," said EDFUND President Becky Stilling.

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“With financial help, students enrolling in college today are sticking with their studies and pursuing their goals with real determination,” added Stilling.

Not surprisingly, the study also found that those students who were from higher-income families, who were not the first in their families to go to college, and who started out at four-year schools, were more likely to stay in school. For students without these advantages, Cal Grants were statistically more significant than almost any other factor.

“This study offers concrete evidence that financial aid – particularly grants to low-income students -- makes a real difference in students’ abilities to stay in school,” concluded Fuentes-Michel. “The study provides evidence that the state’s investment in Cal Grants is paying off. Students are realizing their college aspirations and persisting to the completion of their education. Cal Grants help today’s students become tomorrow’s productive participants in the state and national economies.”

The report was written by Dr. Jennie Woo and Don Hills of EDFUND in collaboration with consultant Dr. Sam Kipp and is available for ordering from the Commission/EDFUND Shipping Center at 916.526.7282.

Visit www.csac.ca.gov and www.edfund.org for more information on programs and services available through the Commission and its student loan auxiliary, EDFUND.

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The California Student Aid Commission is the state’s principal provider of intersegmental statewide grant aid to postsecondary students. Founded in 1955 as the California State Scholarship Commission, the Commission’s primary programmatic responsibilities include operation of the Cal Grant program, which will distribute nearly \$650 million to California’s college students during the 2003-2004 school year, and several multi-million dollar targeted state scholarship and loan forgiveness programs. The 15-member Commission oversees the activities of its nonprofit student loan services auxiliary, EDFUND. The Commission is headquartered in Rancho Cordova, California.

EDFUND, a nonprofit public benefit corporation, is the nation’s second largest provider of student loan guarantee services under the Federal Family Education Loan Program. EDFUND offers students a wide range of financial aid and debt management information while supporting schools with advanced loan processing solutions and default prevention techniques. Operating as an auxiliary corporation of the California Student Aid Commission, EDFUND processes more than \$5.5 billion in student loans annually (including consolidation loans) and manages a portfolio of outstanding loans valued at \$21 billion. EDFUND is headquartered in Rancho Cordova, California with regional offices located throughout the nation.

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