

# Financial Experiences of Students Who Don't Complete the FAFSA

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February 2023

Recommended Citation: Barone, S, Knaff, C., & Fletcher, C. (2023). *Financial Experiences of Students Who Don't Complete the FAFSA*. Trellis Company.

## Key Findings

- Most Student Financial Wellness Survey (SFWS) respondents report that they completed the FAFSA, either on their own or with assistance, although 13 percent of respondents reported that they had not filed the application for financial aid.
- Part-time students, male students, and older students were less likely to submit a FAFSA than other students.
- The most common reason students gave for not completing the FAFSA was that they did not think they would be eligible for financial aid, although many of these students also struggle financially.
- Fifteen percent of non-filers reported that they did not have enough information about how to apply for financial aid. These students were more likely to be Hispanic, be the first in their family to go to college, and to have struggled financially than other students.

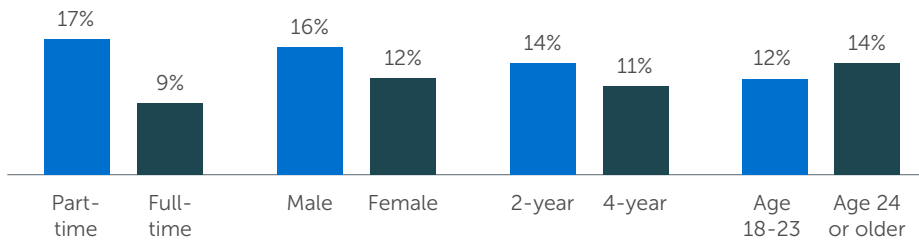


The Free Application for Federal Student Aid (FAFSA) is the application that postsecondary students complete to receive federal grants, work-study, and loans; as well as some state and institutional grants, and private financial aid.<sup>i</sup> In 2019-2020, 17.7 million undergraduates filed a FAFSA<sup>ii</sup> and in 2021-2022, full-time equivalent students received an average of \$15,330 in financial aid.<sup>iii</sup> While the percentage of undergraduate students filing the FAFSA has increased significantly in the past twenty years, it is estimated that over one-third of non-filers in the 2015-2016 school year would have qualified for the Federal Pell Grant.<sup>iv</sup>

This brief examines data from 59,208 students at 104 higher education institutions that participated in Trellis' Fall 2021 Student Financial Wellness Survey (SFWS). The report focuses on self-reported FAFSA completion and reasons for not completing the FAFSA. Research indicates a link between filing a FAFSA and within-year persistence,<sup>v</sup> year-to-year persistence, and earning a degree within six years<sup>vi</sup>. Therefore, understanding students' FAFSA completion rate and reasons for non-submission can inform strategies to help students remain in school and graduate on time.



Percent of Respondents Who Did Not Complete the FAFSA by Characteristic



### Characteristics of Students Who Did Not Complete the FAFSA

A large majority (84 percent) of SFWS respondents reported that they had completed the FAFSA within the last year, either on their own or with assistance. Thirteen percent of respondents reported that they did not complete the FAFSA and three percent said they did not know if they had completed the application. Students who attend school part-time, male students, students who attend two-year colleges and older students were all less likely to complete the FAFSA than their counterparts. Student who did not complete the FAFSA were also less likely to report that they experienced financial difficulties, mental health issues, or basic needs insecurity while in college, suggesting a relative affluence consistent with a lower need for financial aid.

### Reasons for Not Completing the FAFSA

The SFWS is administered to current college students, not all prospective students who may, in the end, have been unable to afford college. Therefore, we would expect to have a high rate of FAFSA completion among the respondents. We would also expect that many of those who did not complete the FAFSA made an informed decision not to based on their financial situation or eligibility for aid.

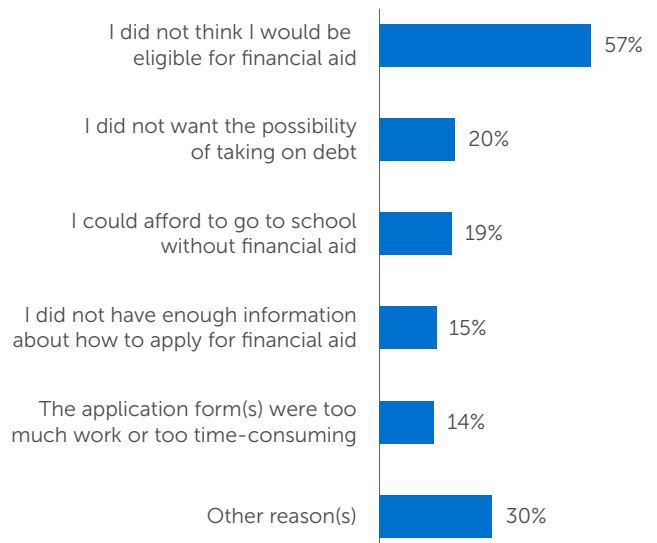
Respondents who indicated that they did not complete the FAFSA were asked to indicate why they did not complete the application and were allowed to select multiple responses. The most common reasons cited for not completing the FAFSA were not thinking they would be eligible for financial aid and not wanting to take on debt. By looking at how these groups of respondents answered other questions in the survey we are able to provide additional context that can illuminate the experience and thought process of these students.

Almost 20 percent of students who did not complete the FAFSA indicated that they could afford to go to school without financial aid. This group is significantly less likely to report having experienced financial difficulties, be experiencing basic needs insecurity, or be a first-

generation college student than both other non-completers and students who completed the FAFSA, indicating that they made an informed decision to not complete the FAFSA.

However, based on their answers to other questions in the SFWS, many other students who did not complete the FAFSA appear to have been financially insecure and would have likely benefited from financial aid. The most common reasons cited for not completing the FAFSA were that the student did not think they would be eligible for financial aid, or they did not want to take on additional debt. After excluding students who also said that they could afford school without financial aid, we find that both groups of students are significantly more likely to have experienced financial difficulties and to have trouble getting \$500 in an emergency than all SFWS respondents. This indicates that both groups of students may be able to relieve financial pressure by filing a FAFSA and potentially receiving financial aid.

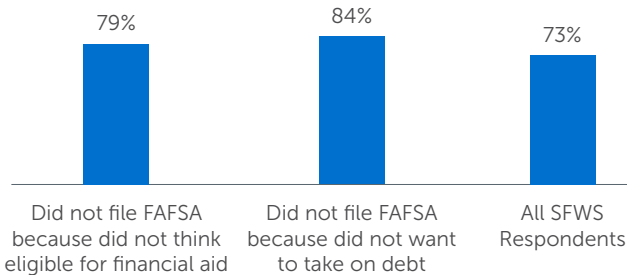
Q35: Did any of the following contribute to your decision to not complete the FAFSA? Please check all that apply\*



\*Of respondents who answered 'I did not complete the FAFSA' to Q34.

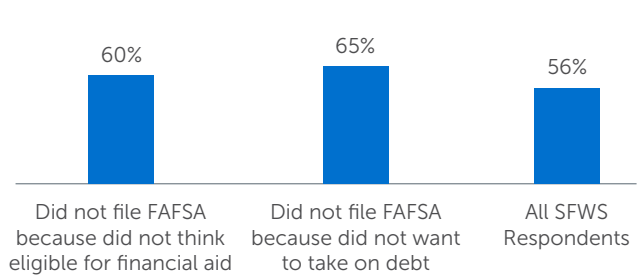


**Q1: While in college, have you experienced financial difficulties or challenges?\***



\*Of respondents who answered "I did not think I would be eligible for financial aid" or "I did not want the possibility of taking on debt" and did not answer "I could afford to go to school without financial aid to Q35."

**Q41: Would you have trouble getting \$500 in cash or credit in order to meet an unexpected need within the next month?\***



\*Of respondents who answered "I did not think I would be eligible for financial aid" or "I did not want the possibility of taking on debt" and did not answer "I could afford to go to school without financial aid to Q35."

While the percentage of students that reported they did not have enough information to apply for aid was relatively low (15 percent), this group of students is significantly more disadvantaged than all SFWS respondents. This indicates that a small but needy portion of students would have benefited from additional outreach on how to complete the FAFSA.

The FAFSA is notoriously complex. While most students overcome this complexity and file an application, among those who didn't, 14 percent reported that the form was too much work or too time consuming. While nearly one-quarter of these students also stated that they could afford college, most of them could not. These students who were deterred from filing due to the complexity of the form are more likely to be white, dependent, and attend full-time than all SFWS respondents. They are no more likely to have experienced basic need insecurities but are slightly more likely to have experienced financial difficulties than all SFWS respondents.

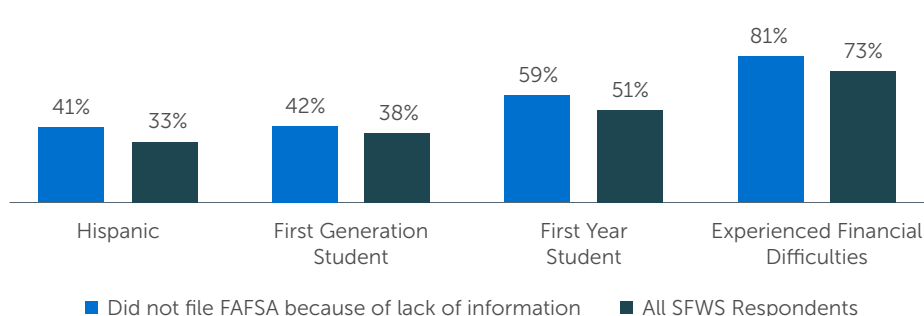
## Conclusion

Filling out the FAFSA can be a challenge. Policy makers have known this for many years and recently passed the FAFSA Simplification Act. Changes based on this act began to be implemented in the 2021-2022 Award Year

and will be fully implemented by the 2024-2025 Award Year. These changes will not only make the FAFSA easier to complete, but should also cause more students to be eligible for both Pell Grants and other financial aid.<sup>vii</sup> It is important that we continue to educate current high school seniors and college students about the importance of completing this application along with providing help navigating the process or applying for financial aid.

Our survey only includes students who were able to enroll in college. There are many more students who did not complete the FAFSA and chose not to enroll because they did not think they could afford college. Many of these students would have been eligible for Pell Grants and institutional aid. However, even among enrolled students, many of those who did not file the FAFSA are struggling financially. Evidence from the SFWS indicates that many students do not think they will be eligible for aid or are unwilling to take on debt. However, these students are actually more likely to have experienced financial difficulties than other SFWS respondents. We also found that a small number of students still lack the information necessary to complete the FAFSA. This indicates that there is still work to be done educating students and potential students about the benefits of FAFSA completion.

**Characteristics of Students Who Did Not File a FAFSA Due to a Lack of Information**





## About the Data/Methodology

The Student Financial Wellness Survey (SFWS) is a self-reported, online survey that seeks to document the well-being and student success indicators of post-secondary students across the nation. While not nationally representative, responses were weighted to reflect the total student composition at participating institutions. The survey opened on October 25, 2021 and closed on November 15, 2021. One hundred four (104) institutions participated in the survey—71 two-year colleges, 20 public four-years, and 13 private not-for-profit four-years. A total of 715,545 undergraduate students were invited to take the survey, of whom 63,751 responded, yielding a 9.0 percent response rate.

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## Recent Trellis Research publications

### Student Financial Wellness of Youth Formerly in Foster Care

Niznik, A., Fletcher, C., & S. Barone. (2022). Student Financial Wellness of Youth Formerly in Foster Care. Trellis Company. Retrieved from: <https://www.trelliscompany.org/portfolio-items/student-financial-wellness-of-youth-formerly-in-foster-care/>

### Student Financial Wellness Survey Report: Fall 2021

Fletcher, C., Webster, J., Cornett, A., Niznik, A., Gardner, T., & Knaff, C. (2022). *Student Financial Wellness Survey report: Fall 2021*. Trellis Company. Retrieved from: <https://www.trelliscompany.org/wp-content/uploads/2022/11/SFWS-Report-Fall-2021.pdf>

### State of student aid and higher education in Texas

Fletcher, C., Cornett, A., & Webster, J. (2022). State of student aid and higher education in Texas. Trellis Company. Retrieved from: <https://www.trelliscompany.org/wp-content/uploads/2022/09/SOSA-2022.pdf>

### Longitudinal fluidity in collegiate food security: Disruptions, restorations, and its drivers

Cornett, A., & Webster, J. (2020). Longitudinal fluidity in collegiate food security: Disruptions, restorations, and its drivers. Trellis Company. Retrieved from: [https://www.trelliscompany.org/wp-content/uploads/2020/02/Research-Brief\\_FSS\\_Longitudinal-Fluidity.pdf](https://www.trelliscompany.org/wp-content/uploads/2020/02/Research-Brief_FSS_Longitudinal-Fluidity.pdf)

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Trellis Company ([trelliscompany.org](https://www.trelliscompany.org)) is a nonprofit 501(c)(3) corporation focused on helping people leverage the power of post-secondary education and learning to improve their quality of life and the communities where they live.

Trellis Research ([trelliscompany.org/research](https://www.trelliscompany.org/research)) provides colleges and policymakers insight into student success through the lens of higher education affordability. With more than three decades of experience studying key issues such as student debt, student loan counseling, and the financial barriers to attainment, our research team explores the roles of personal finance, financial literacy, and financial aid in higher education.

Interested in collaborations or need research expertise? Trellis Research welcomes opportunities to inform policymakers and help organizations address their analytical needs. For more information, please contact Trellis Research at [Trellisresearch@trelliscompany.org](mailto:Trellisresearch@trelliscompany.org) or visit us on Twitter ([@TrellisResearch](https://twitter.com/TrellisResearch)).

The Student Financial Wellness Survey is a free national survey offered by Trellis Company that explores the connections between student finances, academic success, and more. Interested in participating in the Fall 2023 implementation of SFWS? Learn more here: [www.trelliscompany.org/SFWS-get-started](https://www.trelliscompany.org/SFWS-get-started)

### Newsletter Subscription

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<sup>1</sup> Federal Student Aid. (n.d.). *What is the FAFSA?* <https://studentaid.gov/help/afa>

<sup>2</sup> Kantrowitz, M. (2020, September 24). *FAFSA application statistics*. Saving For College. <https://www.savingforcollege.com/article/afa-application-statistics>

<sup>3</sup> College Board. (2022). *Trends in college pricing and student aid 2022*. <https://research.collegeboard.org/media/pdf/trends-in-college-pricing-student-aid-2022.pdf>

<sup>4</sup> Kantrowitz, M. (2018, September 17). *Millions of students still fail to file the FAFSA each year*. Saving For College. <https://www.savingforcollege.com/article/millions-of-students-still-fail-to-file-the-afa-each-year>

<sup>5</sup> McKinney, L., & Novak, H. (2013). The relationship between FAFSA filing and persistence among first-year community college students. *Community College Review*, 41(1), 63-85.

<sup>6</sup> Bird, K., & Castleman, B. L. (2016). Here today, gone tomorrow? Investigating rates and patterns of financial aid renewal among college freshmen. *Research in Higher Education*, 57, 395-422.

<sup>7</sup> Federal Student Aid. (2022, November 4) FAFSA Simplification Act Changes for Implementation in 2023-24 <https://fsapartners.ed.gov/knowledge-center/library/dear-colleague-letters/2022-11-03/afa-simplification-act-changes-implementation-2023-24#:~:text=The%20FAFSA%20simplification%20act%20provides,reflect%20students%20situations%20more%20accurately>

