

A close-up, profile shot of a young Black man with short, dark hair. He is looking upwards and to the right with a thoughtful expression. He is wearing a dark, textured scarf. The background is dark with a subtle grid pattern and a faint, large upward-pointing arrow in the lower right.

BUILDING BETTER FUTURES: THE VALUE OF A UNCF INVESTMENT

UNCF Frederick D. Patterson Research Institute



A MIND IS A TERRIBLE THING TO WASTE BUT A WONDERFUL THING TO INVEST IN

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BUILDING BETTER FUTURES: THE VALUE OF A UNCF INVESTMENT

FOREWORD

This report by the UNCF Frederick D. Patterson Research Institute, *Building Better Futures: The Value of a UNCF Investment*, makes a significant contribution to addressing an area of urgent national need.

Our country needs more college graduates to remain competitive in the global economy. Changing demographics—the fact that we will soon become a majority-minority nation—dictate that the graduates we need must come from among African Americans and other Americans of color. Yet those students' path to and through college is disproportionately obstructed by financial need and inadequate pre-college academic preparation.

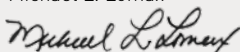
The challenge of helping low-income students get the education they need and that we, as a nation, need them to have is one with which the U.S. is just starting to come to grips. But it is a challenge with which UNCF, the country's largest minority education organization, has almost seven decades of successful experience. More than 400,000 students have earned degrees at UNCF-member institutions and with UNCF scholarships. Research (including the Patterson Research Institute's 2012 publication *Understanding HBCU Retention and Completion*) shows that historically black colleges and universities (HBCUs), like those that belong to UNCF, outperform non-HBCUs at enrolling and graduating students from low-income backgrounds who have been shortchanged by their pre-college education.

That success has been made possible by the contributions of the hundreds of thousands of individuals, foundations and corporations that have invested in UNCF and, through their support for UNCF, have invested in the futures of the students UNCF serves.

Building Better Futures: The Value of a UNCF Investment documents the return on that investment, a return measured by the number of students who, as a result of UNCF scholarships, earn their degrees and can begin their careers. It demonstrates that students who receive UNCF scholarships far outperform the national population of students of all races in terms of persistence and graduation. It demonstrates that UNCF award dollars have a measurable, positive impact on the likelihood of students' graduation, even when controlling for GPA. And it extrapolates the impact of UNCF scholarships to project that, if all African American students could receive UNCF scholarships, the nation would produce nearly 16,000 additional, urgently needed college graduates each year.

To us, the implications of this report's findings are clear. UNCF has had success—success that has eluded others—in meeting the critical national challenge of increasing the degree achievement of the low-income students of color the country needs. That success is the return on investment in UNCF, and it is the rationale for further investment by all those who care about the future of our next generation of professionals and citizens and about the country they will soon lead.

Michael L. Lomax



President and CEO, UNCF

This scholarship will help with my educational expenses at Tuskegee University. I am thankful for the hard work and dedication of the members of the UNCF organization. It is only with your support that I am able to attain my dreams of becoming a veterinarian.
—Drew, Animal Science, Tuskegee University



EXECUTIVE SUMMARY

As donors, government agencies, media outlets and other interested parties place increasing value on the ability of nonprofits and charitable organizations to prove their effectiveness in quantitative, empirical terms, it has increasingly become incumbent upon charitable organizations such as UNCF to demonstrate the effectiveness of their scholarship programs.

Each year, UNCF awards more than 10,000 college scholarships as part of more than 400 programs. Each scholarship enables its recipient to take another step toward college graduation and the opportunities that lie beyond. To the cohort of UNCF scholarship recipients, and to a nation in need of more college graduates, UNCF scholarships make a significant contribution to the economic and social health of communities and the country.

How large is that contribution? To determine the value of a UNCF scholarship, the Frederick D. Patterson Research Institute analyzed data on 2,523 African American* undergraduate students who received UNCF scholarship award dollars in 2006 and for whom the National Student Clearinghouse was able to provide data on whether the student had earned a degree by September 2012.

A snapshot of selected characteristics of UNCF scholarship recipients indicates that:

- **They were financially needier than the average African American student nationally.** UNCF scholarship recipients possessed an average amount of \$7,323 in financial need and were awarded an average amount of \$4,525 in UNCF financial aid. Average need for African American undergraduates at four-year public or private nonprofit institutions, based on a national sample, was \$4,638 in 2004 and \$5,688 in 2008.¹
- **They were strong academically.** African American undergraduate UNCF scholarship recipients were academically high-performing, slightly more likely to be female, very likely to be enrolled at UNCF-member institutions and to reside in the southeastern United States, and slightly likely to favor the biological sciences over the education field, but otherwise held similar priorities to the national population in terms of their preferred field of study.
- **They were more likely to graduate with degrees in STEM fields.** Of the scholarship recipients who have graduated, the most popular identified degree areas were business, management and marketing, a preference also true of the national population of African American college graduates. However, in comparison to the national average, UNCF scholarship recipients were more likely to graduate with degrees in STEM (science, technology, engineering and mathematics) fields.

Being awarded the UNCF scholarship will help cover my college expenses and allow me to continue seeking higher education.

—Martin, Biology, Benedict College

*The term African American also refers to students who identify as black.

¹ FDPRI analysis of data from the U.S. Department of Education, National Center for Education Statistics, 2003-04 National Postsecondary Student Aid Study (NPSAS:04) and 2007-08 National Postsecondary Student Aid Study (NPSAS:08). Throughout this brief, 2006 data on UNCF scholarship recipients is often compared to national data for 2004 and 2008 as those were the nearest years for which national data were available. This is not a perfect comparison as UNCF calculates unmet need from the institution's average sum cost of tuition, fees, and room and board, minus the student's grants and outside scholarships, as reported by the institutions. NPSAS calculates unmet need using the following formula: "Student budget minus expected family contribution (EFC) minus grants and federal need aid."

BUILDING BETTER FUTURES: THE VALUE OF A UNCF INVESTMENT

These student characteristics, coupled with our detailed analysis, led to several important conclusions:

- **UNCF scholarships have the greatest impact on students who need them most.** Students with a higher amount of financial need were more likely to benefit from larger UNCF scholarship awards, even while controlling for GPA.
- **UNCF scholarships have a measurable impact on their recipients' graduation rates.** Of African American, freshman UNCF scholarship recipients in 2006 who were enrolled in the fall semester of 2006, 70 percent had graduated by the fall semester of 2012 (i.e., a 70 percent six-year graduation rate). This figure is almost double the 38 percent six-year graduation rate for African American college students nationwide and is superior to the 57 percent six-year graduation rate for all races and ethnicities. In addition, African American freshman recipients of UNCF scholarships showed a 94 percent retention rate from their first year of college to their second year.
- **UNCF scholarship aid was found to positively and significantly predict graduation from college.** When controlling for student GPA, the likelihood that a student who received \$5,000 in UNCF scholarship support in 2006 would graduate increased by 4.16 percentage points (\$5,000 is used because it is the average amount of support received that year, after rounding to the nearest thousand). For freshmen specifically, the likelihood that a student who received \$5,000 of UNCF support in 2006 would graduate increased by 7.35 percentage points. (Before controlling for GPA, the increase in the likelihood of graduating is 6.04 and 8.97 percentage points, respectively).
- **These impacts, extrapolated to the entire population of African American college students, would increase the annual number of African Americans earning college degrees by 15,876 annually, contributing significantly to the country's college completion agenda.**

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Closing the educational attainment gap for African Americans is a daunting task, but beginning with effective evidence-based initiatives is a start. UNCF's model for scholarship distribution can serve as a foundation for improving the likelihood of African American students' college completion before they set foot in their first lecture hall, contributing to a much desired societal need.

While crucial, scholarships are not sufficient by themselves to effect the increase in African American graduation rates that students need and that the 21st-century economy demands. It is critical that nonprofit associations, policy organizations, scholarship providers, colleges and universities, and other like-minded institutions committed to enabling more African Americans to go to and through college join UNCF's efforts. As a nation, we have to increase the number of college-aged students entering and graduating from postsecondary institutions. UNCF's recommendations for achieving this goal are that other organizations invest in low-income students, that the student aid system be revamped and that the country invest in HBCUs.

Without UNCF, I would not have been able to gain my college degree ... and keep my promise to my mother. UNCF picked up where my parents left off. As a scholar, I have had the opportunity to travel to over 17 countries and study at eight universities. ... I would like to express my gratitude to all of the donors, staff, faculty and leadership that helped facilitate these scholarship opportunities and words of wisdom. I have truly received a life-changing reward.

—Michael, Business, Morehouse College



INTRODUCTION

UNCF, the country's largest provider of scholarships to students of color, awards more than 10,000 scholarships per year, through more than 400 programs, to students at over 900 colleges and universities. In addition to scholarships, UNCF provides operating costs to 37 private, historically black colleges and universities (HBCUs). Since its founding in 1944, UNCF's member institutions have graduated more than 400,000 students, most of them African American, a population increasingly critical to the nation's need for higher college graduation rates.

However, as donors, government agencies, media outlets and other interested parties place increasing value on the ability of nonprofits and charitable organizations to prove their effectiveness in quantitative, empirical terms, it has increasingly become incumbent upon charitable organizations such as UNCF to demonstrate the effectiveness of their scholarship programs. Simply put, what is the value of a UNCF investment?

A "UNCF investment" can take many forms, but this brief focuses on UNCF scholarship spending. "Value" can also take many forms; it is defined here as an increased likelihood of graduating from college. The financial connotations of the term "investment" are deliberate. UNCF scholarships are not mere symbolic displays of solidarity, devoid of intrinsic meaning. Rather, we believe (and mean to show) that award dollars provide returns in the form of increased college success, not only on the scale of individual students, but also, implicitly, for the entire nation.

It hardly needs arguing that the country's education system is in the grip of multiple crises, with lagging graduation rates, steadily escalating tuition rates and the looming specter of widespread student loan default, to note a few.² It is beyond the capacity of any one organization to provide solutions to all of these problems, or for one study to illuminate them. This brief therefore focuses on college student graduation—specifically, the awarding of degrees to African American undergraduates. Although it is imperative that all college students in the United States attain and sustain a high level of postsecondary educational completion, there are two reasons for this brief's focus on a particular undergraduate population:

- UNCF's historical focus—indeed, its original *raison d'être*—was to help African Americans complete a college education by providing financial support to its member HBCUs. This emphasis exists to the present day, making it extremely relevant to empirical examination of UNCF's effectiveness.
- The country's lagging graduation rate is especially acute for its African American undergraduate population. In 2011, the country's overall six-year graduation rate was 57 percent for students at public and private not-for-profit four-year institutions. For specific racial and ethnic groups, the graduation rate was 69 percent for Asian students, 61 percent for white students, 45 percent for Hispanic students and 38 percent for African American students (Figure 1).

I write first and foremost to give my greatest thanks to UNCF for this scholarship. It has eased the unmet financial burden of my college education. Given the ever-rising prices of higher education, this award is appreciated so very much.

—Cierra, Applied Physics, Christopher Newport University

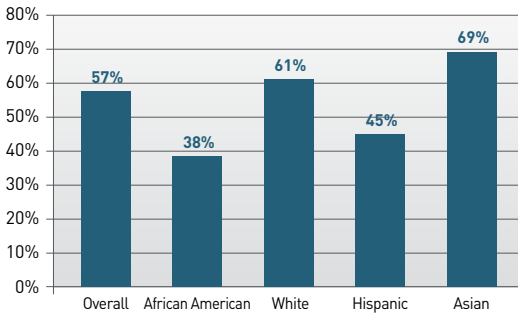
² Cook, B., & Pullaro, N. (2010). *College graduation rates: Behind the numbers*. Washington, DC: American Council on Education.

Gold, L., & Albert, L. (2006). Graduation rates as a measure of college accountability. *American Academic* 2(1), 89-106.

Dillon, E., & Smiles, R. (2010). *Lowering student loan default rates: What one consortium of historically black institutions did to succeed*. Washington, DC: Education Sector.

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Figure 1. National Graduation Rates, by Racial and Ethnic Group, 2011



Source: FDPRI analysis of data from the U.S. Department of Education, National Center for Education Statistics, Integrated Postsecondary Education Data System (IPEDS).

Given both UNCF's historical focus and the country's current educational needs, this brief examines the effectiveness of UNCF's scholarships in improving African American graduation rates.

To determine the value of a UNCF scholarship, the Frederick D. Patterson Research Institute analyzed data on 2,523 African American undergraduate students who received UNCF scholarship award dollars in 2006 and for whom the National Student Clearinghouse was able to provide data on whether the student had earned a degree by September 2012.

I would like to share my appreciation with you on awarding me this scholarship. I realize that many applied and only a handful were granted the scholarship, and to be chosen as one of the recipients is humbling. This scholarship can help me continue to further my education without being concerned about how to pay for it. I truly appreciate being selected for this scholarship.

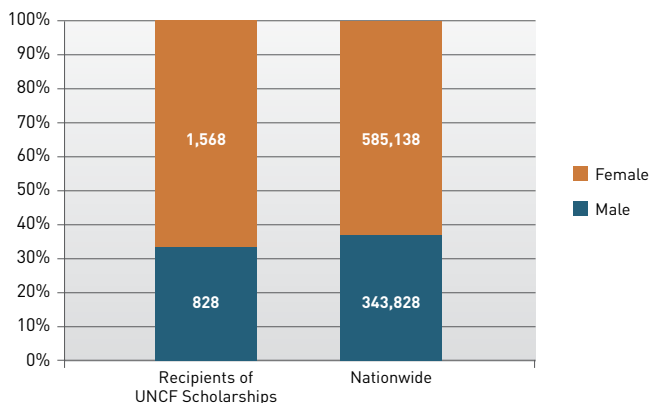
—Kriszilla, Biology, Bennett College for Women

WHO ARE UNCF SCHOLARS?

These 2,523 African American undergraduates were predominantly female (65 percent), similar to national enrollment figures for 2006 (Figure 2). In terms of class level, 31 percent of the students were freshmen, 26 percent were sophomores, 29 percent were juniors and 14 percent were seniors (Figure 3).³ These scholars are more likely to be freshmen, and less likely to be seniors, than the national population. Note that these data are cross-sectional rather than longitudinal and do not show that UNCF scholars are any less likely to persist further through college than the national average (as we'll soon see, the reverse is actually true).

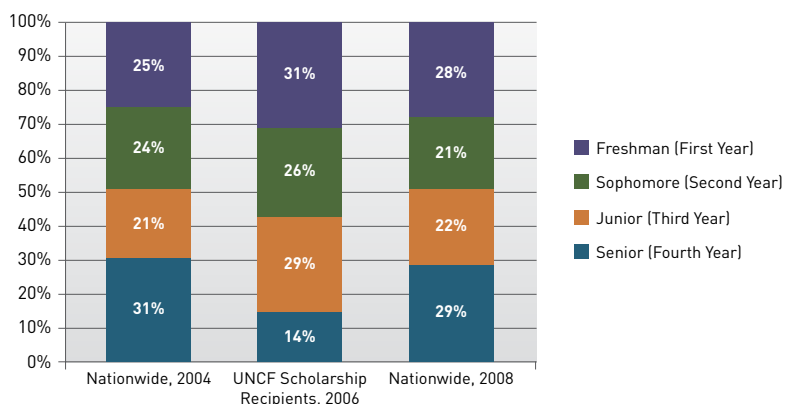
³ For this and other comparisons of UNCF scholars to National Postsecondary Student Aid Study participants, NPSAS data from the 2004 and 2008 study years are used, as these are the closest available years to 2006 (the year of the UNCF scholarship data).

Figure 2. Gender Distribution of African American Undergraduates, 2006



Note: Some students did not report gender, accounting for the difference between this table and the total sample (n=2,523). Source for national data: FDPRI analysis of data from the U.S. Department of Education, Office of Educational Research and Improvement, National Center for Education Statistics, Integrated Postsecondary Education Data System (IPEDS).

Figure 3. Class-Level Distribution of African American Undergraduates, 2004-2008

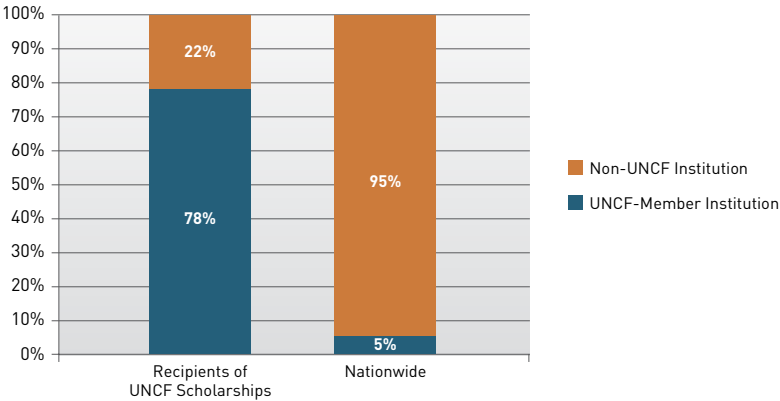


Note: Figures may not sum due to rounding.

Sources for national data: FDPRI analysis of data from the U.S. Department of Education, National Center for Education Statistics, 2003-04 National Postsecondary Student Aid Study (NPSAS:04) and 2007-08 National Postsecondary Student Aid Study (NPSAS:08).

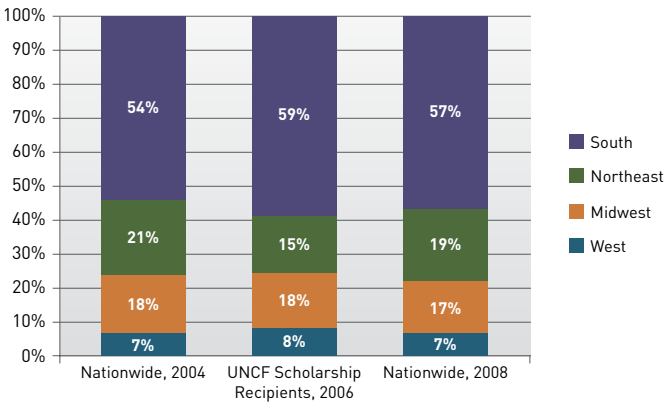
A sizable majority of the students who received UNCF scholarships in 2006 were enrolled at UNCF-member institutions, accounting for 78 percent of the scholarship recipients in this sample (Figure 4). This far exceeds the national percentage of students enrolled at UNCF-member institutions that same year. Befitting the geographic location of UNCF's member institutions, a majority of these students (59 percent) were residents of Southern states (as defined by the U.S. Census Bureau). They are perhaps slightly more likely to hail from the South, and less likely to hail from the Northeast, than the national average for students at four-year institutions (Figure 5).

Figure 4. UNCF-Member Institution Enrollment of African American Undergraduates, 2006



Source for national data: FDPRI analysis of data from the U.S. Department of Education, Office of Educational Research and Improvement, National Center for Education Statistics, Integrated Postsecondary Education Data System (IPEDS).

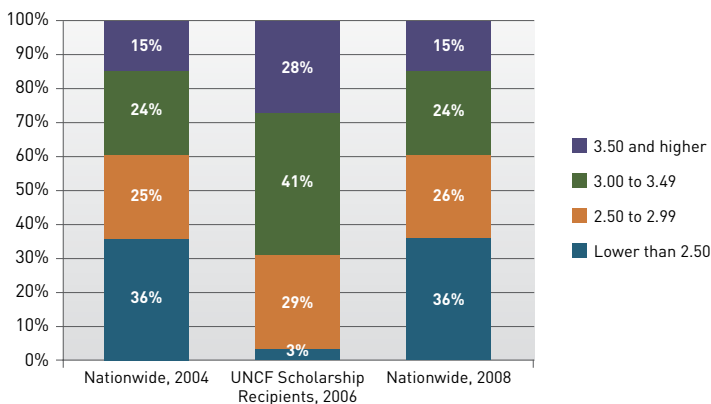
Figure 5. Residency of African American Undergraduates by U.S. Census Region, 2004-2008



Sources for national data: FDPRI analysis of data from the U.S. Department of Education, National Center for Education Statistics, 2003-04 National Postsecondary Student Aid Study (NPSAS:04) and 2007-08 National Postsecondary Student Aid Study (NPSAS:08).

The average grade-point average (GPA) among undergraduate UNCF scholarship recipients in 2006 was 3.19. These scholarship recipients tended to outperform the national average GPA of African American undergraduates, which was 2.69 in 2004 and 2.70 in 2008. (For further comparison, the average GPA for all races nationwide was 2.96 in 2004 and 2.98 in 2008.) In terms of distribution between GPA categories, only three percent of UNCF scholarship recipients had GPAs lower than 2.50, 29 percent had GPAs between 2.50 and 2.99, 41 percent had GPAs between 3.00 and 3.49, and 28 percent had GPAs of 3.50 and higher (Figure 6).

Figure 6. Distribution of African American Undergraduates by GPA Category, 2004-2008

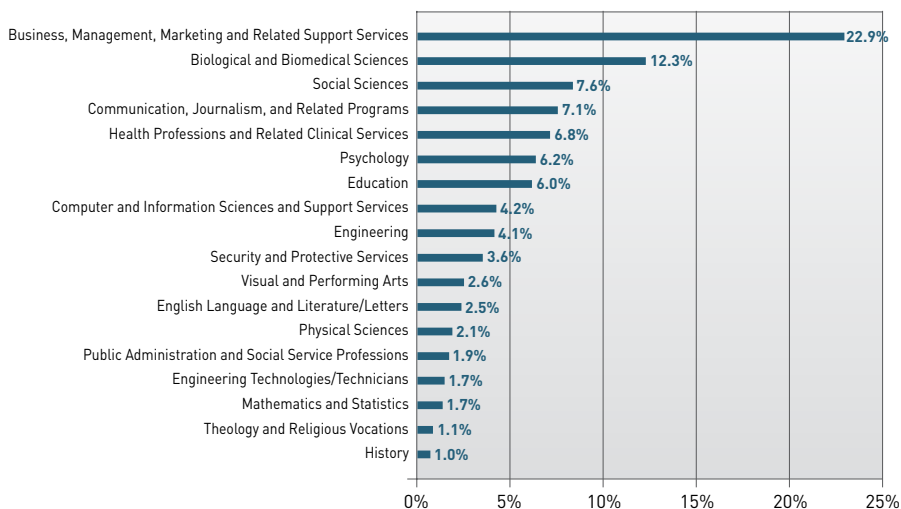


Note: Figures may not sum due to rounding.

Sources for national data: FDPRI analysis of data from the U.S. Department of Education, National Center for Education Statistics, 2003-04 National Postsecondary Student Aid Study (NPSAS:04) and 2007-08 National Postsecondary Student Aid Study (NPSAS:08).

The most popular fields of study, in terms of academic major, were in the realm of business, management and marketing, which account for 23 percent of the students for whom major data were available (Figure 7). These were followed by the biological and biomedical sciences, in which 12 percent of the students majored. A further eight percent of students were enrolled in the social sciences; seven percent in communication, journalism, and related programs; seven percent in health professions and related clinical sciences; six percent in psychology; and six percent in education. Computer and information sciences and support services, and engineering comprised four percent each. The remaining major areas accounted for fewer than 100 scholarship recipients each.

Figure 7. Distribution of African American UNCF Scholarship Recipients by Major Area, 2006



Note: Table excludes majors accounting for less than 1% of scholarship recipients.

Source: FDPRI analysis of UNCF scholarship data.

Using National Center for Education Statistics (NCES) data from that same year as a comparison group allows us to examine the relative popularity of select major areas: business management, physical sciences, mathematics, biological sciences, engineering and education (no other major areas are included in the national enrollment data for 2006). In terms of the rank order of these six degree areas, African American undergraduates who received UNCF scholarships are similar to the national population of African American undergraduates, with the exception that UNCF scholarship recipients are more likely to major in the biological sciences than in education, while the reverse is true for the national sample (Table 1).

Table 1. Popularity of Select Major Areas among African American Undergraduates, 2006

UNCF Scholarship Recipients		Nationwide	
Business, management, marketing and related support services	607	Business management and administrative services	155,922
Biological and biomedical sciences	327	Education	52,688
Education	159	Biological sciences/life sciences	44,132
Engineering	110	Engineering	23,493
Physical sciences	55	Physical sciences	9,280
Mathematics and statistics	46	Mathematics	5,843

Source for national data: FDPRI analysis of data from the U.S. Department of Education, Office of Educational Research and Improvement, National Center for Education Statistics, Integrated Postsecondary Education Data System (IPEDS).

UNCF scholarship recipients reported an average of \$7,323 in financial need and were awarded \$4,525 in UNCF aid on average.⁴ Nationally, average need for African American undergraduates at four-year public or private nonprofit institutions was \$4,638 in 2004 and \$5,688 in 2008.⁵

Finances aside, the overall profile that emerges of these African American undergraduate scholarship recipients, in comparison to the national averages of African American undergraduates, is that they are:

- Academically high-performing (in terms of GPA);
- Very likely to be enrolled at UNCF-member institutions (and, by extension, to reside in the southeastern United States);
- Slightly more likely to be female (HBCUs enroll a higher proportion of females than non-HBCUs); and
- Slightly more likely to favor the biological sciences over the education field, but otherwise holding similar preferences in terms of their preferred field of study.

Of the scholarship recipients identified by the National Student Clearinghouse as having graduated, the most popular identified degree areas were business, management and marketing, a preference also true of the national population of African American college graduates. However, in comparison to the national average of African American college graduates, UNCF scholarship recipients were more likely

⁴ The standard deviations for these averages were \$6,038 and \$3,719, respectively.
⁵ FDPRI analysis of data from the U.S. Department of Education, National Center for Education Statistics, 2003-04 National Postsecondary Student Aid Study (NPSAS:04) and 2007-08 National Postsecondary Student Aid Study (NPSAS:08).



to graduate with degrees in STEM fields such as biological sciences, engineering, computer sciences, physical sciences, and mathematics and statistics (Table 2). They are also less likely, in comparison to the national average, to graduate with degrees in education, the health professions, visual and performing arts, security, and public administration.⁶

Table 2. Popularity of Identified Degree Areas among African American College Graduates

UNCF Scholarship Recipients (2006)

Business, management, marketing and related support services	21.24%
Social sciences	12.59%
Biological and biomedical sciences	9.87%
Psychology	8.87%
Communication, journalism and related programs	8.01%
Engineering	5.15%
English language and literature/letters	4.15%
Education	3.93%
Health professions and related clinical sciences	3.51%
Computer and information sciences and support services	3.43%
Visual and performing arts	2.65%
Physical sciences	2.50%
Security and protective services	2.50%
Public administration and social service professions	2.50%
Mathematics and statistics	2.29%
Multi/interdisciplinary studies	1.57%
Liberal arts and sciences, general studies and humanities	1.22%

Nationwide (2006-2012)

Business management marketing and related support services	21.74%
Social sciences	9.56%
Health professions and related clinical sciences	8.59%
Psychology	7.72%
Communication journalism and related programs	5.61%
Education	4.86%
Security and protective services	4.71%
Liberal arts and sciences, general studies and humanities	4.50%
Biological and biomedical sciences	4.47%
Public administration and social service professions	3.74%
Visual and performing arts	3.20%
English language and literature/letters	2.93%
Engineering	2.33%
Multi/interdisciplinary studies	2.31%
Computer and information sciences and support services	2.21%
Parks recreation leisure and fitness studies	2.12%
Family and consumer sciences/human sciences	1.73%
History	1.19%

Note: Table excludes degree areas that accounted for less than one percent of degree awards.

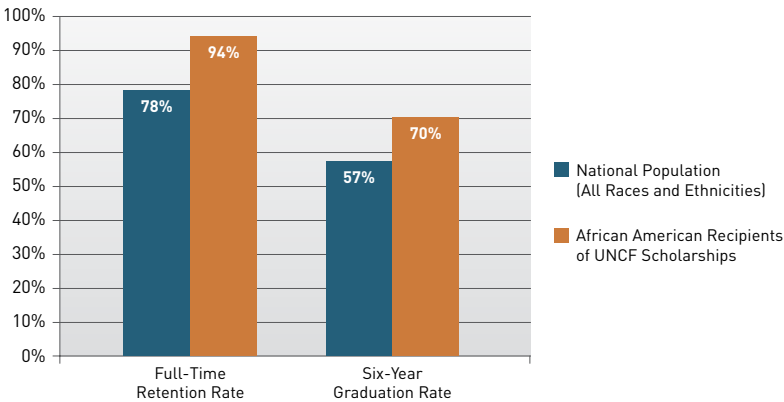
Source for national data: FDPRI analysis of data from the U.S. Department of Education, Office of Educational Research and Improvement, National Center for Education Statistics, Integrated Postsecondary Education Data System (IPEDS).

⁶ This is an imperfect comparison, as it compares the degree areas of UNCF scholarship recipients in 2006 to nationwide degree areas across a six-year period.

HOW LIKELY ARE UNCF SCHOLARS TO GRADUATE?

Analyses showed that 70 percent of African American freshman UNCF scholarship recipients in 2006 who were enrolled in the fall semester of 2006 had graduated by the fall semester of 2012 (i.e., a 70 percent six-year graduation rate), almost double the 38 percent six-year graduation rate for African American college students nationwide and superior to the 57 percent overall six-year graduation rate for all races and ethnicities. In addition, of the African American freshman UNCF scholarship recipients who were identified as having enrolled in the fall of 2006, 94 percent enrolled in the fall of 2007—i.e., their retention rate in 2006 was 94 percent, higher than the 78 percent national retention rate for all races and ethnicities (Figure 8).

Figure 8. Retention and Completion Rates of African American Scholarship Recipients Compared with Overall National Rates (All Races and Ethnicities) for Students Enrolled as Freshmen in 2006



Source for National Data: FDPRI analysis of data from the U.S. Department of Education, National Center for Education Statistics, Integrated Postsecondary Education Data System (IPEDS).

Furthermore, UNCF scholarship aid was found to positively and significantly predict graduation from college. The likelihood that a student who received \$5,000 in UNCF scholarship support in 2006 would graduate increased by 6.04 percentage points (\$5,000 is the average amount of support received that year, after rounding to the nearest thousand). For freshmen specifically, the likelihood that a student who received \$5,000 in UNCF support in 2006 would graduate increased by 8.97 percentage points.

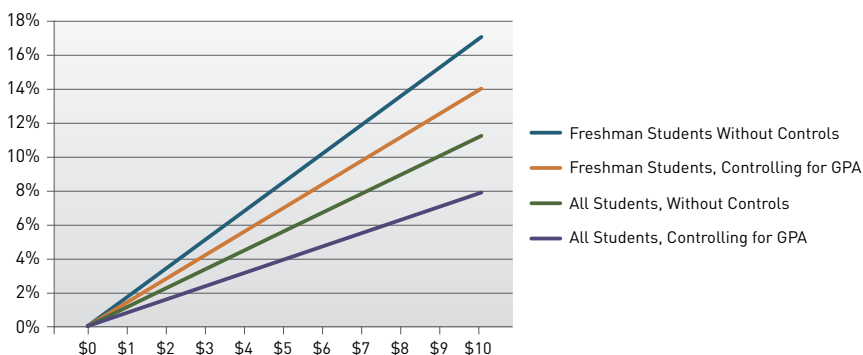
It is true that students with higher GPAs were likely to earn larger scholarship awards in 2006, and students with higher GPAs are also more likely to complete college. However, when we conduct an apples-to-apples comparison by controlling for GPA, the impact changes slightly, but an impact persists nonetheless. When student GPA was included as a control variable in these analyses, it reduced—but did not eliminate—the effect of scholarship awards on students’ likelihood of graduation. A \$5,000 award resulted in an average increase in the likelihood of graduation equal to 4.16 percentage points. For freshmen specifically, a \$5,000 award resulted in an increase in the likelihood of graduation equal to 7.35 percentage points (Figure 9). It was further the case that students with a higher amount of financial need were more likely to benefit from larger UNCF scholarship awards, even while controlling for GPA.

While a 4.2 percent and 7.4 percent increase in the likelihood of graduating may not sound impressive initially, consider what this averages if extrapolated to the entire population of African American college students, particularly for freshmen. If the likelihood of graduation for African American freshmen increased by 8 percentage points across the country, an additional 15,876⁷ African American students



would graduate each year, contributing significantly to the country's college completion agenda. Given that African American college student enrollments are projected to increase 25 percent by 2021,⁸ it is imperative that more of these students be moved along the pathway to completion. This brief proves that UNCF scholarships are an effective way to do that.

Figure 9. Percentage Point Increase in African American Students' Likelihood of Graduation as a Function of UNCF Award Size (in Thousands of Dollars), 2006-2012



CONCLUSION

The evidence is clear: In a country in urgent need of more college-educated African Americans, UNCF scholarships do not merely enable students to meet college expenses; they measurably increase the likelihood that recipients will persist through college and will graduate. The increase is large enough that, if the outcomes realized by UNCF scholarships were extrapolated across all African American college students, the total of African American college graduates would increase by nearly 16,000 annually. How many other investments in education, and in the economy and society that are fueled by education, can yield a higher return? The impact of UNCF scholarships is especially important when we consider that the fastest-growing segments of the college population for the foreseeable future are from the very populations that UNCF helps most: low-income, often academically underprepared, minority students.

Clearly, significant proportions of students who receive UNCF scholarships and attend its member institutions are not academically underprepared and in great financial need; both groups have a notable share of students who graduate in the top 10 percent of their high school graduating class. But UNCF is most concerned with assisting those students who have the desire to attend college but do not possess the financial wherewithal or know-how to get there and persist.

The success of these UNCF investments in students' education is instructive for the rest of the country as the United States attempts to once again lead the world in postsecondary degree production. The financial and academic obstacles that confront UNCF scholarship recipients are shared by other African American students, by other students of color and to a large extent by millions of other students. The evidence that UNCF scholarships help students overcome these obstacles presents a model that can be applied across demographic boundaries and across the country.

⁷ The number of first-time African American students who enrolled at any public or private, not-for-profit institutions in the fall of 2011 was 198,444. Source for national data: FIPRI analysis of data from the Department of Education, Office of Educational Research and Improvement, National Center for Education Statistics, Integrated Postsecondary Education Data System (IPEDS).

⁸ Hussar, W.J., and Bailey, T.M. (2013). *Projections of education statistics to 2021* (NCES 2013-008). U.S. Department of Education, National Center for Education Statistics. Washington, DC: U.S. Government Printing Office.

BUILDING BETTER FUTURES: THE VALUE OF A UNCF INVESTMENT

This report demonstrates that African American freshmen—students just beginning to navigate the important but often complex college years—who received a \$5,000 UNCF scholarship (rounded to the nearest thousand) experienced a seven percentage point increase in their likelihood of graduating. Closing the educational attainment gap for African Americans is a daunting task, but beginning with effective, evidence-based initiatives is a start. UNCF's model for scholarship distribution can serve as a foundation for improving the likelihood of African American students' college completion before they set foot in their first lecture hall, contributing to a much desired societal need.

To be fully effective, the effort to increase the number of college graduates by providing student aid more broadly should move beyond awarding scholarships toward shaping public policy to maximize the impact of scholarships on those who need help the most. To that end, we offer the following recommendations to increase the number of college-aged students entering and graduating from postsecondary institutions:

Other organizations must join in UNCF's efforts to invest in low-income students through need-based scholarships. The greatest barrier to college access today is financial, especially given changes in Pell Grant eligibility requirements and the ever-increasing cost of college. This report confirms that scholarships are critical to overcoming this barrier, so not only are more scholarships needed, but they should target those who have the greatest need, therefore resulting in the greatest impact.

The student aid system must be revamped. We know that scholarships work, but those who need them most—low-income students—are often left out by the increasing reliance on merit-based aid. Those students are least likely to attend academically rigorous high schools, so they often cannot compete for merit-based aid. Moreover, the financial aid safety net available to them, the Pell Grant program, has not kept pace with the steadily inflating cost of college. That forces these students to rely heavily on loans, which can be daunting—in the application process and/or the amount they often have to borrow. Loans also can bury them in decades of debt, especially if the loans are used to meet non-college costs such as replacing lost wages or providing family financial support.

The country must invest in HBCUs. These schools do a considerably better-than-predicted job of graduating students who come to college with the most financial and academic issues to overcome.⁹ They achieve these results despite their historical lack of resources. The country should invest more heavily in these institutions, as well as in other colleges and universities that are effective at helping large numbers of low-income students succeed. Only with investments in institutions that serve disproportionately low-income populations will America be able to meet its education, workforce, economic and societal needs for the 21st century.

UNCF has been active in each of the areas discussed above. And, as the evidence bears out, these investments have paid off. The title of this report, *Building Better Futures*, reflects the belief that UNCF scholarships and its member institutions contribute significantly to the country's needs for more college-trained workers, especially from lower-income backgrounds. UNCF investments provide additional returns to the public in the form of contributing to a more diverse workforce, fostering a citizenry that is more inclined toward public service¹⁰ and educating students who often have no other postsecondary options.

UNCF investments have a positive impact with returns that everyone enjoys. That impact can be multiplied if other organizations join our cause and invest in students, HBCUs and the country as well.

The UNCF scholarship has lightened my financial burden, allowing me to focus more on school. Your generosity has inspired me to help others and give back to the community. I hope one day that I will be able to help students achieve their goal as you have helped me.

—Shantoria, Health Science, University of Florida

⁹ Awokoya, J., Richards, D., & Myrick-Harris, C. (2012). *Serving students and the public good: HBCUs and the Washington Monthly's College Rankings*. Fairfax, VA: Frederick D. Patterson Research Institute, UNCF.

¹⁰ Ibid.

Receiving this award not only enhances my ability to complete my studies, it has also lessened those financial stressors that are commonly shared among many college students with limited financial resources.

—Treva, Sociology, Bethune-Cookman University



BUILDING BETTER FUTURES: THE VALUE OF A UNCF INVESTMENT

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