

Effect of Financial Aid on Student Outcomes

Diane Galbraith^{*} and Sunita Mondal^{}**

School of Business

Slippery Rock University of Pennsylvania, USA

Abstract: A primary barrier to college access and completion rates for students including minority, low-income and first-generation students are financial. Several factors hinder access to higher education, including limited financial resources, and higher risk of accumulating debt. Owing to the significance of postsecondary education in addressing possible income inequality, financial aid availability and access is of paramount importance. This paper studies the effects of financial aid loans and assistance available to students, on student performance, access to higher education and graduation for this group. We find that financial aid loans do have a positive impact on both academic performance, and graduation rates for students.

Keywords: Student Loans, Academic Performance, Retention Rates, Financial Aid

Citation: Galbraith, D. and Mondal, S., 2021, Effect of Financial Aid on Student Outcomes, *Empirical Economics Letters*, 20, 6, 987-1000.

^{*} Professor of Management. Email: diane.galbraith@sru.edu

^{**} Associate Professor of Economics. Email: sunita.mondal@sru.edu