

POLICY NOTES

HOPE, the Brain Drain, and Diversity: The Impact of the Scholarship on High Achievers and African Americans

By *Chris Cornwell and David B. Mustard*

Since its inception in 1993, HOPE has disbursed over \$1.4 billion to over 625,000 students.

Does HOPE help Georgia retain its best and brightest high school students? Are there consequences for racial diversity in targeting scholarships to the academic high achievers? Our research suggests the answer to each of these questions is a qualified “yes.”

In 1993, only 23 percent of Georgia high school graduates with SAT scores over 1500 matriculated at a Georgia college or university; today, 76 percent remain in state.

Until the late 1980s, a relatively small fraction of college financial aid was allocated on the basis of merit, and essentially all of it related to individual institutions' attempts to attract academically proficient students and thereby increase their academic reputations. However, in the last decade, state governments have stepped in, distributing billions of dollars in financial aid through a range of merit-based college scholarships. The usual justification for these actions is similar to that for institutional merit aid: to encourage the best high school students to enroll in their institutions.

Invariably, the model for these programs is Georgia's HOPE Scholarship, which pays tuition, fees, and a book allowance to qualified students matriculating at in-state institutions and a comparably valued stipend to those entering private colleges in Georgia. To receive HOPE, students must have graduated from a Georgia high school with a “B” average in the core-curriculum courses; there are no income restrictions. Since its inception in 1993, HOPE has disbursed over \$1.4 billion to over 625,000 students.

Retention of High Achievers. Between 1993 and 1997, the freshmen enrollment rate increased about 8 percent because of the HOPE program, with the gains concentrated primarily in four-year schools (Cornwell and Mustard 2001). We attribute at least two-thirds of this gain to the incentive that the scholarship provides to stay in state.

HOPE encourages certain kinds of students to stay in state, as evidenced by SAT scores. A comparison of 1989–98 SAT scores shows that national high school seniors scored approximately 35 points higher than the average for Georgia college freshmen and 50 points higher than that for Georgia high school seniors (see figure). Both high school trends culminate in an increase of 20 points by the end of the period. The Georgia college freshman scores provide a sharp contrast, rising almost 50 points between the start of HOPE and 1998. By the end of the period, the SAT scores of Georgia college freshmen were equal to the national average.

The most important single contributor to the increase in Georgia freshmen SAT scores has been the University of Georgia (UGA). During most of the 1980s, Barron's *Profiles of American Colleges* rated UGA's admissions selectivity as merely “competitive,” the fourth highest out of six categories. By 1997, Georgia's selectivity rating had climbed to “highly competitive,” the second highest category (which includes elite public institutions like the University of North Carolina). High-caliber students have, in turn, made Georgia institutions more attractive to the very top high school graduates in the state. In 1993, only 23 percent of Georgia high school graduates with SAT scores over 1500 matriculated at a Georgia college or university; today, 76 percent remain in state.

This dramatic increase in SAT scores not only is evidence of HOPE's incentive for high achievers to remain in state, but also indirectly explains the jump between 1996 and 1998 in Georgia residents attending Auburn (in 1996–98, 24 percent), Alabama (38 percent), Clemson (26 percent), Florida State (20 percent), Mississippi (44 percent), and Tennessee (27 percent)—large schools that, according to Barron's selectivity index, are ranked below UGA. Moreover, if Georgia's less prominent colleges continue not to be perceived as viable substi-

tutes for UGA and the Georgia Institute of Technology, and entrance requirements continue to rise at these flagship schools, HOPE will increasingly lead to the “exporting” of students who are able to afford out-of-state tuition but cannot meet the higher entrance requirements.

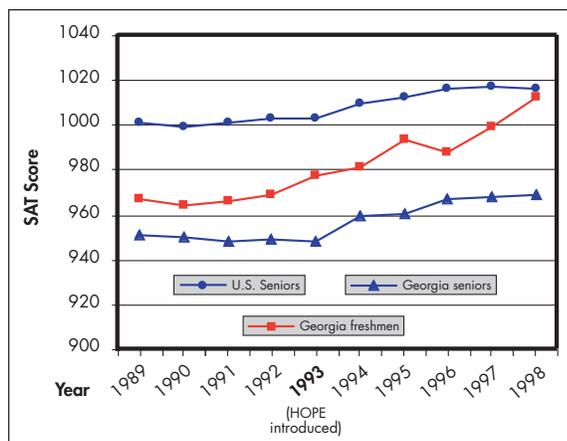
Enrollments of African Americans. HOPE’s impact on enrollment rates is largely confined to four-year institutions, which is consistent for both blacks and whites. We estimated that black enrollment rates at four-year public and private colleges rose 21 percent and 16 percent, respectively, between 1993 and 1997 because of HOPE. These gains exceed those for whites, whose enrollment rates increased by 5 percent in four-year public institutions and 12 percent in four-year private institutions. The difference is partly explained by the fact that blacks have much lower enrollment rates to begin with, and therefore, a relatively small increase in enrollment rates can account for a relatively large percentage change. In addition, Georgia is home to a large number of historically black colleges and universities (HBCUs), all but one having a Barron’s selectivity index rating of “less competitive.”

Despite the large percentage increase in African American enrollment in Georgia institutions, the data show that HOPE has not necessarily expanded access to higher education in the state. For both whites and blacks, the students who, absent HOPE, would have otherwise attended an out-of-state college largely account for the increases. Between the fall of 1992 (the year prior to HOPE’s introduction) and the fall of 1994, the number of Georgia residents attending college out of state fell over 20 percent in the top-20 out-of-state destinations and 8 percent in all out-of-state institutions. Five of the top 20 out-of-state destinations for Georgia students are HBCUs (e.g., Florida A&M, Alabama State, Tuskegee University, Alabama A&M, and Hampton University). Between 1992 and 1994, enrollments of Georgia freshmen at these five institutions dropped 34 percent.

Although HOPE has raised the African American share of college students enrolled in Georgia institutions, it does not follow that the scholarship has created more racial diversity at the institutional level. Because African American enrollment gains have occurred primarily at less selective institutions (like the HBCUs) and not at Georgia Tech and UGA, HOPE may actually increase the stratification of Georgia colleges and universities by race.

To summarize, HOPE has increased enrollment in Georgia colleges primarily by encouraging Georgia high school graduates to remain in state for their college educations. High achievers and African Americans have been especially responsive to this incentive. With an influx of high-achieving students, institutions such as UGA and Georgia Tech have increased admission requirements for incoming freshmen and enhanced their academic reputations. Therefore, indirectly, HOPE has also led students who formerly would have enrolled at UGA or Georgia Tech to pursue their education outside Georgia and perhaps exacerbated the racial stratification of Georgia institutions.

A Comparison of SAT Scores, 1989–90 to 1998–99



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Select Sources

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For more information about HOPE research, see the Cornwell-Mustard HOPE Scholarship page: <<http://www.terry.uga.edu/hope>>.

Contacts for More Information

Authors (706-542-1311)
 Christopher M. Cornwell and David B. Mustard
 Department of Economics
 Terry College of Business
 University of Georgia
cornwl@terry.uga.edu
mustard@terry.uga.edu

Series Editor (706-542-2736)
 Richard W. Campbell
 Carl Vinson Institute of Government
 University of Georgia
campbell@cviog.uga.edu