



## The Impact of Merit Aid on College Choice and Degree Attainment: Reexamining Florida's Bright Futures Program

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**BACKGROUND:** Financial aid has been shown to increase college enrollment, degree completion, and labor-market earnings, but the magnitude and direction of these effects largely vary by program design and delivery. Large-scale shifts from need-based to merit-based aid programs in the 1990s and early 2000s has drawn particular attention, with Florida's Bright Futures (BF) program on the largest in the United States. Although [prior work](#) found that BF improved student outcomes, we re-examine these results using more comprehensive data and methodological improvements.

**RESEARCH DESIGN:** We use student-level data from the College Board that covers the universe of SAT test takers in Florida's public and private high schools and match these records to National Student Clearinghouse data on postsecondary outcomes, which also allow us to observe in-state and out-of-state enrollment and degree completion at public and private postsecondary institutions nationwide up to six years after high school graduation. We use a regression discontinuity design to estimate causal impacts of receiving merit aid by comparing students whose first SAT score falls on either side of BF's eligibility criteria, typically at the threshold of a 970 or 1270 combined math and verbal SAT score.

### KEY FINDINGS:

- In contrast to prior work, we generally find no impacts of Bright Futures eligibility on postsecondary enrollment or degree completion outcomes.
- We find suggestive evidence that BF may have induced small enrollment shifts for Hispanic and White students away from two-year colleges and toward in-state, four-year and private institutions, respectively.
- Students near the program's lower SAT threshold, which provides eligibility for a partial rather than full tuition scholarship, are roughly 1 to 2 percentage points less likely to earn an associate degree from an in-state institution. This may be accompanied by a small positive impact on bachelor's degree completion as compensation, though this effect is statistically insignificant and slightly smaller in magnitude.

**CONCLUSION:** Our results confidently reject prior studies suggesting that Florida's Bright Futures merit aid program has large impacts on enrollment and out-migration for college. Although we find minor effects on some measures of college choice, judged against the enrollment and completion goals of BF and other large-scale merit programs these minimal-at-best impacts indicate the costs of these programs may not outweigh their benefits. While our findings differ from prior works on Bright Futures, they align with more emerging notions that state merit aid may have negative, null, or small effects on students' enrollment and attainment outcomes, particularly when considered against need-based aid (Cohodes & Goodman, 2014; Fitzpatrick & Jones, 2016; Herbert & Geven, 2020; Nguyen et al., 2019; Sjoquist & Winters, 2012).