



Consumer Testing the New FAFSA

Findings from student and
parent focus groups

Acknowledgements

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About NASFAA:

NASFAA is a nonprofit membership organization representing more than 29,000 financial aid professionals at nearly 3,000 colleges, universities, and career schools across the country. NASFAA member institutions serve nine out of every 10 undergraduates in the United States. Based in Washington, D.C., NASFAA is the only national association with a primary focus on student aid legislation, regulatory analysis, and training for financial aid administrators. For more information, visit <https://www.nasfaa.org>.

About ASA Research:

ASA Research, LLC (ASA), a small, women-owned research firm, has served higher education organizations for over 30 years with the goal of increasing economic mobility for low-income and historically underserved students through thoughtful, rigorous, high quality research solutions. Our content and methodological expertise return meaningful evidence and actionable insights that help clients—colleges and universities, districts and state systems, foundations, associations, and federal agencies—take action and create change to advance their goals and ultimately, help students succeed.

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Introduction

This research supplements the National Association of Student Financial Aid Administrators' (NASFAA) ongoing advocacy efforts to ensure smooth implementation of the FAFSA Simplification Act by incorporating the student voice into its feedback to the U.S. Department of Education (ED) to help improve the Free Application for Federal Student Aid (FAFSA) form and process. NASFAA previously submitted comments to ED in response to draft 2024-25 FAFSA forms released in March and September of 2023. This feedback represented NASFAA's membership and focused primarily on providing detailed feedback about wording and instructions to improve clarity for students and families.

It is important to listen to the experiences of students and families who have completed the FAFSA in the past, to learn from their perspectives, and to incorporate their feedback into the future refinement of the FAFSA form and process. This will help ensure that the newly released FAFSA is easier to complete and will help increase the number of students applying for and receiving federal financial aid. Some of this feedback, such as changes to wording, may need to wait until the next FAFSA cycle to be applied. However, focus group feedback for increased customer support and soliciting feedback from FAFSA completers can be enacted more immediately with the 2024-25 cycle.

This research sought to answer the following questions:

1. Do students and their families understand the proposed FAFSA simplification changes (based on samples provided)? Do they understand changes to Pell Grant eligibility?
2. Does the new terminology make financial aid concepts easier for students and families to understand (e.g., replacing EFC with SAI)?
3. Which concepts are still unclear and need additional changes?
4. Do students and their families understand the consent process to allow the Internal Revenue Service (IRS) to share federal taxpayer data directly with ED? How can information about the IRS data exchange be improved?
5. How can ED and institutions better communicate FAFSA changes to students?
6. Do these changes make it more likely that students will file or file earlier? Do students and parents think the simplified FAFSA will be easier to complete, and why?

Focus group participants were assured anonymity and provided open, honest, and thoughtful responses. Participating students and parents appreciated having the opportunity to learn about upcoming changes to the FAFSA and to discuss their concerns related to the FAFSA with one another and with a representative from NASFAA. A summary of their responses is provided below, along with considerations for improving the FAFSA based on their feedback.

Considerations:

The Department of Education should consider:

- 1: Revisiting wording of new demographic information questions on gender, race, and ethnicity.** NASFAA appreciates that ED considered its request to add language indicating that institutions of higher education would not receive students' responses to these questions. However, despite this revised language, focus group participants indicated a desire for additional information about the specifics of the research. ED should be clearer about the type of research this information will be used for, and also consider suggestions from focus group participants to make more prominent language indicating gender, race, and ethnicity information will not be used to determine financial aid eligibility.
- 2: Increasing availability of customer support to students and financial aid practitioners.** Focus group participants reported experiencing long wait times even before this massive FAFSA overhaul, and with the challenging launch of the 2024-25 FAFSA and many issues that impact individuals' ability to complete and submit the FAFSA still outstanding, applicants need more help than ever. Students and families will undoubtedly have questions as they navigate this new application process for the first time, including but not limited to the new definition of family size, changes to who is considered the parent of record, and getting an FSA ID for individuals without a Social Security number. Financial aid administrators still have many unanswered questions as well, and the more they know, the more they can disseminate information and lighten the load on the Federal Student Aid Information Center.
- 3: Reducing burden on students and institutions.** Focus group participants noted verification as a challenge in prior years. Given the compressed time frame between when financial aid administrators receive Institutional Student Information Records (ISIRs)- the output document schools after the FAFSA is processed- and when they need to make aid offers to students, delays due to verification have serious repercussions for students. Further, the burden of verification on financial aid administrators shifts their time away from applicants when they need their help the most. Reducing verification selection rates and eliminating other burdens as outlined in NASFAA's December 2023 [letter](#) to the Department will help ensure the smoothest possible FAFSA processing cycle.
- 4: Ensuring communications with FAFSA contributors clearly indicate they are official communications from the Department for purposes of their child's or spouse's financial aid eligibility.** The contributor process is new to everyone this year and many individuals are skeptical of emails relating to finances due to online scams; ED must do everything it can to ensure these emails are opened and that contributors complete their sections of the FAFSA and provide consent for the transfer of their tax information to ED. We cannot risk the considerable work Congress, the Department, and stakeholders have invested in making the FAFSA more accessible by having contributors fail to complete their part of the FAFSA.
- 5: Conducting focus groups after the peak 2024-25 application cycle to learn what did and didn't work.** Even with the two public comment periods, focus groups such as these, and other feedback channels, it is inevitable that this processing cycle will reveal some flaws in the process. ED should also work with NASFAA and college access professionals to remedy all unanticipated issues arising from this cycle for the 2025-26 aid year.
- 6: Evaluating the impact of small business and family farm reporting.** The addition of small businesses and family farms to the list of assets to be reported on the FAFSA has become a popular discussion topic among policymakers, advocacy organizations, and in the media. While the numbers are small in these focus groups, it is troubling that some respondents indicated they might be less likely to complete the FAFSA due to these changes. ED should evaluate the impact of these assets on the SAI and make that data public so families can make informed decisions instead of assuming they won't qualify for aid and not completing the FAFSA.

Methodology

NASFAA recruited institutions to participate in these focus groups from our Rapid Response Network. NASFAA then worked with ASA research to ensure sector and geographic representation among the institutions that were selected. Institutions were provided with recruitment materials to secure participants, and were asked specifically not to recruit students or parents of students who currently work in the financial aid office, to eliminate bias of students with knowledge of financial aid and changes to the FAFSA. Institutions were also asked to focus on recruiting Pell Grant recipients and TRIO students when possible to ensure that participants had experience with the FAFSA process.

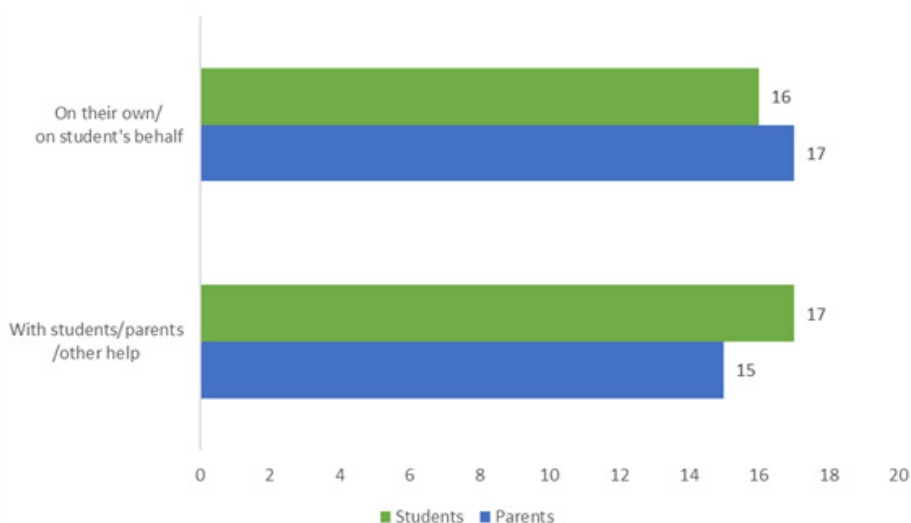
Twelve one-hour online focus groups were conducted in October 2023, with a total of 80 participants: 41 current college students and 39 parents of current college students representing eight colleges (three four-year public, three four-year private, and two community colleges). The institutions had geographic representation across the country in the Southwest, Southeast, Northwest, Northeast, and Midwest regions, and across all NASFAA member regions.

The focus groups had between three and 16 participants each. (In one case, only one participant attended, and this was considered an interview.) A financial incentive was provided to increase participation, and sessions were offered in the evenings to accommodate busy schedules of students and parents, many of whom are working.

A team of five researchers conducted the focus groups, with two attending each session: a facilitator led the conversation, and a research assistant took notes. Participants were asked permission to record the conversation to ensure accuracy of notes, but were guaranteed anonymity — no individuals or institutions have been named to protect their identities.

NASFAA developed the protocols to collect information about participants' FAFSA experiences and their impressions of changes to the FAFSA form, eligibility, and deadline. All participants had completed the FAFSA before — either on their own or with help (Figure 1). Both students and parents were nearly evenly split between completing it on their own (or on their student's behalf) or completing it together — typically with parents supporting students, and in a few cases with support from advisors or other professionals.

Figure 1. FAFSA Completion



The focus group facilitators shared screenshots of new FAFSA components from the Department of Education's August 2023 FAFSA Demonstration presentation, as well as text from a September version of the draft FAFSA², and explained what the changes would mean for FAFSA completers. A NASFAA representative was available at the end of the focus group to answer any questions participants had about the FAFSA, including the changes discussed. Of note, facilitators did not use the FAFSA prototype³ in the focus groups because its release in late September came without advance notice, focus group protocols had already been established, and focus groups were already scheduled when it was announced.

Note that several questions had yes/no responses; where possible, these results have been tallied. However, due to the nature of focus groups being conversational, not every individual responded to every question. As focus groups are a type of qualitative research, the information is intended to provide more contextual, personal insight that might explain trends.

¹ It should be noted that no proprietary institution expressed interest in participating, and only one graduate/professional institution expressed interest.

That institution was selected, but ultimately was unable to participate. Institutions were offered an honorarium for agreeing to recruit focus group participants.

² <https://fsapartners.ed.gov/knowledge-center/library/electronic-announcements/2023-09-18/notice-updated-draft-2024-25-federal-student-aid-application-materials>

³ <https://fsapartners.ed.gov/knowledge-center/library/electronic-announcements/2023-09-29/announcing-2024-25-fafsa-prototype>

Findings

Below are findings from the focus groups categorized by main themes.

FAFSA Experiences

Participants were asked to share their past experiences completing the FAFSA. Of 55 participants who offered their experiences, 11 (20%) found it to be “straightforward” or “easy,” 37 (67%) reported negative experiences (see “Challenges,” below), and seven (13%) reported that it was difficult to complete the first time but became easier each year, particularly when information was carried forward automatically from the prior year to the Renewal FAFSA.

It is worth noting that with the newly released simplified FAFSA in December 2023, students’ information will not be carried forward from the prior year to allow applicants to complete a shorter Renewal FAFSA, as has been the case in past years, and this may create unexpected problems for continuing students completing the FAFSA. NASFAA has [recommended](#) that the Department of Education provide extended customer service hours in light of this disconnect and the delayed release of the 2024-25 FAFSA from October 1 to December 30, as well as the troublesome soft launch of the application, which included applicants being unable to access, complete, and submit the FAFSA, among a number of technical issues.

Challenges. Common terms used by participants to describe the challenges of completing the FAFSA included: long, repetitive, invasive, tricky, overwhelming, complicated, confusing, time-consuming, tedious, and laborious.

The WordCloud below summarizes the most frequently used words used to describe participants’ past experiences with the FAFSA:



The area where participants faced the greatest difficulty was in locating the correct financial statements and figuring out which information was needed, for example which year’s federal tax return to use. Several participants did not have the information readily available when they began the application. In some cases, students tried to complete the FAFSA themselves, but needed their parents’ assistance with tax and financial information. Participants found the Data Retrieval Tool (DRT) to be lengthy, difficult, and confusing, partly because it “...takes you out and in” of the application system. They are hopeful the IRS direct data exchange will be simpler.

Participants were confused about reporting financial information such as assets when they have multiple accounts or multiple sources of income. One participant shared not knowing how to respond to “a lot of questions that I didn’t have a black-and-white answer to.” Another added, “The wording wasn’t clear enough, at least for me to understand.”

Special situations. Participants also found the FAFSA difficult when they did not fit into a traditional living or financial arrangement. One participant found the income information “tricky” because her husband is self-employed. Other participants expressed confusion around dependency questions, for example if parents are divorced or students are living separately from their parents and whether they need to provide information for both parents. One student needed assistance from their financial aid office to unlink their information from their family that no longer provides financial support.

Login process. Some participants shared challenges with the login process, including resetting passwords and having to log back in to enter additional information. Several students shared that their parents also had difficulty logging into the system. One parent had to log in as her son and use his information since she was unable to change her own login.

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Other challenges. Additional challenges cited by participants included long wait times to get questions answered by Federal Student Aid staff on the phone, difficulty with the verification process, and limitations for special populations such as non-citizens.

Simplification Awareness

Only one student and eight parents (of the 80 participants) had heard something about FAFSA simplification at the time of the focus groups, and those who were aware of the overall concept did not have an understanding of the specific changes.

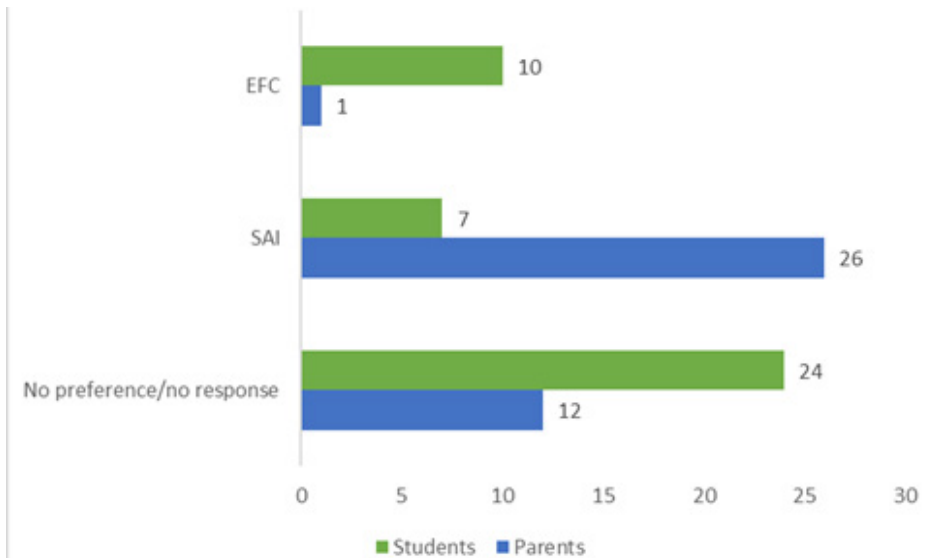
Simplification Feedback

When asked if the simplification changes described during the focus group will make the FAFSA process easier, the majority responded “yes.” Most participants agreed that because retrieving financial and tax information presented the greatest obstacles in the past, the changes seem like they will greatly improve and speed up the process. Participants are also less worried about making mistakes with financial data given the new direct data sharing between the IRS and ED. A few participants did not see a big change from the DRT to the IRS direct data exchange. Some were having a hard time envisioning what the changes will be and said they will not know for sure of any difference or advantage until they actually complete the simplified FAFSA, although it sounded easier in theory. However, several shared that if they do not need to find their tax documents and income information, the process will likely be much easier.

EFC vs. SAI

When asked if they are familiar with the term “Expected Family Contribution” (EFC), 10 students and 17 parents indicated they are (not all participants responded). One student and two parents indicated familiarity with the term Student Aid Index (SAI). Participants were then asked if they have a preference between the two terms (Figure 2). Many did not have a preference. Of those who did have a preference, students seem to prefer EFC while parents largely prefer SAI. Those who prefer SAI feel that EFC is misleading as it implies an amount that a family is expected to pay toward tuition, while an “index” seems a more appropriate label for the concept. Those who prefer EFC are comfortable with the term and do not think a change is needed.

Figure 2. Term preference: EFC vs. SAI

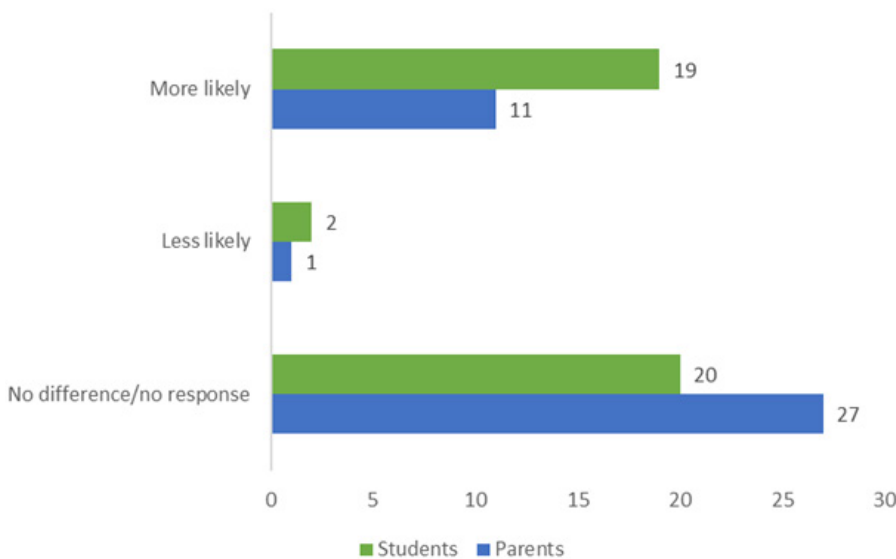


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Eligibility Changes

A total of six parents and six students (of the 80 participants) heard something about upcoming changes to eligibility, but none were clear about the details of those changes. Participants were then asked if they would be more or less likely to complete the FAFSA due to these changes (figure 3). The majority stated they would continue to apply for aid regardless of upcoming eligibility changes, or did not respond (likely because they did not have a strong preference). Many, a total of 30 participants, shared they would be more likely to apply because of favorable changes. Those who said they would be less likely to apply were concerned about changes to eligibility for owners of small businesses, who were previously exempt from reporting the net worth of their businesses but will now be required to report that value as an asset.

Figure 3. Change in likeliness of completing the FAFSA after learning about eligibility changes



December Release

A total of 12 students and 16 parents heard that the FAFSA has been delayed from October to December this year (2023). Participants asked how this affects federal, state, and institutional aid deadlines and whether the delay will impact early decisions and admissions. They also asked if the change in release date is for this year only or permanent.

Contributor/Consent Process

Many participants did not respond to focus group questions about the term “contributor,” and whether they would open the email, accept the invitation, and provide consent related to this new process, because they did not have a strong opinion or preference. The general feeling was that if the email comes from an official source such as the U.S. Department of Education, they will trust the communications and proceed as needed to qualify for financial aid. Of those who did respond, the majority feel the term “contributor” is accurate — although a small minority are concerned it implies that the individual will be expected to financially contribute to a student’s expenses. Some participants recommended making clear who the email is from both in the sender and subject lines so that parents know it is a trusted source, for example explicitly stating, “Student needs your information to complete their FAFSA” in the subject line.

Special note: As part of the FAFSA overhaul, ED introduced a new concept called a “contributor” to the FAFSA. The FAFSA has always included information about individuals other than the student, such as the student’s parents or spouse, where applicable. However, that information was previously all part of the same application. Starting in 2024-25, student applicants must invite these other individuals to complete their own section of the FAFSA. As applicants enter their own information, logic built into the FAFSA determines whether contributor information is required. The student applicant is then presented with a screen where they are asked to enter information about their contributor(s), including their email address. Once applicants complete that step, contributors receive an email from the Department of Education indicating that the student applicant has invited them to provide information on the FAFSA. Contributors must accept the invitation and then proceed to complete and submit their section of the FAFSA.

New data sharing authority between the Internal Revenue Service (IRS) and Department of Education allow tax return information to automatically populate the FAFSA, eliminating the income questions on the FAFSA. The data sharing process requires each individual to consent to the data transfer. As such, new questions are added to the student and contributor sections of the FAFSA asking the to consent to the transfer of their IRS data to the Department of Education.

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Demographic Questions

The majority of participants stated they did not have a problem completing the new FAFSA demographic questions that ask students about their gender, race, and ethnicity, and understand that it is often required on government forms. However, a handful of participants asked what the purpose of this information is and how it will be used, if not to determine financial aid eligibility. They assume it is for “the statistical side of things,” but would like additional clarity about its purpose. The language provided on the draft FAFSA about using the information for research purposes was perceived as too vague — several participants requested additional information about the specifics of the research. Several also suggested making a statement about this information not being used to determine financial aid eligibility to appear more prominently, upfront and bolded, since it is so important.

Institution Communication

When asked what the participants would like their institutions to communicate to them about FAFSA simplification, several responded that all of the information shared in the focus group about upcoming changes to the FAFSA form questions, eligibility, and deadlines would be useful to come from the institution. They would like to know the implications of these changes and any effects the changes will have on their aid receipt, including the implications of small business ownership for eligibility. They recommended providing families with a crosswalk comparing the older and newer FAFSA forms to provide a visual illustration of what is being changed, a set of FAQs about the changes, and sample scenarios of eligibility for families of different sizes. Participants asked if they will still need to answer questions about assets such as savings accounts — it may be helpful for institutions to include updated information about this in these crosswalks or scenarios.

Parents and students would also like more general information and workshops about completing the FAFSA from the institution, particularly during a student’s first year filing out the FAFSA, to increase awareness. In addition to general FAFSA education, they are interested in specific topics such as how to find income on a W2 form, although it should be noted this information is likely unnecessary given it will come directly from the IRS with the new FAFSA. They recommended that institutions encourage all students to complete the FAFSA now that it is easier. One parent asked if the expectation is that with these changes, students will be able to complete the FAFSA themselves. Participants also suggested having staff available to answer questions, and sending reminders through multiple channels such as email, text, and social media.

Conclusions

The simplified FAFSA shows promise for easing student and parent concerns and challenges around applying for financial aid by expediting and streamlining what has been perceived by many thus far to be a laborious, tedious process. Particularly given that parents and students view the tax and financial information as the greatest obstacle to FAFSA completion, the new IRS direct data exchange should theoretically make a big difference in families' experiences and FAFSA completion rates.

These findings agree with previous research that not only question wording but also placement, formatting, and clarity of instructions can make a difference in the communication of financial aid information for families⁴. With the addition of demographic questions, clearly, explicitly, and boldly stating how that information will be used is important to students. And with the additional communications between the Department of Education and parents to complete the consent process, paying attention to seemingly simple details such as an email subject line could make a difference in applicants completing the FAFSA.

It will be useful to gauge FAFSA completer perceptions of the simplified FAFSA once they have completed it after the release, as well as resulting completion and eligibility rates and changes in these rates compared with pre-simplification FAFSA.

⁴ https://www.nasfaa.org/uploads/documents/CFP_ASA_Report.pdf