

# National Association of Student Financial Aid Administrators' Federal Work-Study Research:

## LITERATURE REVIEW & POLICY SCAN

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## ABOUT NASFAA

NASFAA is a nonprofit membership organization that represents more than 20,000 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, DC, 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 [www.nasfaa.org](http://www.nasfaa.org).

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# EXECUTIVE SUMMARY

This report examines policies and research involving the Federal Work-Study (FWS) program, which funds part-time employment for students with financial need. Our goal for this report is to examine the administration and impact of the FWS program through a review of the literature and a scan of policy and practice.

First, we offer a policy scan that reviews the policies pertaining to FWS, covering a brief history of FWS and explaining the roles of the U.S. Department of Education (ED), higher education institutions, and students' employers. Some of the findings from the policy scan include:

- Institutions adhere to the regulations established by ED and rules of participation, and communicate those requirements to students and employers.
- Institutions are explicit with students and employers about other aspects of program implementation, such as securing FWS jobs, vetting and guiding employer practices, and best practices toward creating intentional outcomes for students, employers, and the institution.
- Research and evidence is needed to evaluate the effectiveness and the gaps of the FWS funding formula.
- More research is also needed to identify and explore best practices for FWS implementation.

Second, we summarize the literature and most significant studies examining the effects of participation in FWS. The aim of this effort is to understand the current research on FWS and the program's impact on students. Based on the literature, we identified the following overarching themes:

- Little of the existing research focuses solely on FWS. Although there is comprehensive research on student employment, FWS is rarely addressed specifically or separated from other federal student aid programs. The little existing research on FWS generally finds the program has positive effects on student outcomes.
- Participation in FWS may help students better acclimate to their higher education community. Holding a FWS position may also positively impact students' persistence to a degree and success in the labor market. Additionally, students report that FWS has a positive impact on their college experience.

Based on the findings of this research we put forth the following recommendations:

## For Policymakers

- *Reconsider the funding formula.* Previous research from National Association of Student Financial Aid Administrator's 2014 Campus-Based Aid Allocation Task Force examined the formula by which congressional appropriations for campus-based programs are distributed to institutions in order to provide recommendations for changes leading up to the reauthorization of the Higher Education Act. The task force found that there is a need for a change to the funding formula, in order to achieve a more equitable distribution of campus-based programs among Title IV institutions, based on the need of their population of eligible students (NASFAA, 2014). The findings of this review and policy scan support consideration of such changes.

## For Future Research

- *Conduct further empirical research on FWS practices.* There is a lack of research focused on what works well. There is minimal literature that addresses key practices or innovations for administering FWS. Further empirical evidence is needed to understand the effectiveness of current FWS practices and to identify which innovative practices have the potential for greatest impact.
- *Conduct more research on the real-life experiences of FWS students.* Little is known about how FWS students navigate the process and how they view the FWS experience and its impacts.
- *Examine the types of jobs performed by FWS students and the associated outcomes.* The literature lacks sufficient detail about the types of FWS jobs available to students and whether these job types make a difference in student outcomes. For example, few reports examine whether FWS employment helps students gain "soft skills," such as teamwork, problem solving, conflict resolution, and critical thinking.
- *Assess the effects of FWS awarded with different combinations of student aid.* We also know little about the interplay of FWS with other forms of financial aid. For example, if students receive multiple forms of aid, how can we accurately assess the impact and success of each type of aid?

# INTRODUCTION

**F**inancial aid plays a critical role in helping millions of students attend college. Of the more than 20 million students enrolled in degree-granting colleges and universities in the United States, an overwhelming majority (71%) use some type of financial aid in order to afford to attend; more specifically, 57% of all undergraduate students receive federal student aid (Radwin, Wine, Siegel, & Bryan, 2013). Postsecondary financial aid programs have the potential to greatly impact students' lives, affecting whether they complete their degree and how much debt they have when they graduate.

The current landscape of rising college costs and high student financial need puts the federal student aid programs, including the Federal Work-Study (FWS) program, at the center of the national conversation on college access and completion (Scott-Clayton & Minaya, 2014). According to the College Board (2015), students living in on-campus housing pay, on average, \$18,943 per year at public institutions, and \$42,419 at private nonprofit institutions. These figures represent undergraduate tuition, fees, room, and board for the 2014–15 academic year. To make college more affordable, many students, including those who save money by not living on campus, work while attending school. Approximately 70% to 80% of college students work while enrolled in school, and college students make up 8% of the U.S. labor force (Carnevale, Smith, Melton,

Price, 2015). Furthermore, 5% of these working students rely on FWS as their sole employment (Perna, 2010).

As defined by federal legislation, the purpose of the FWS program is to

*...stimulate and promote the part-time employment of students who are enrolled as undergraduate, graduate, or professional students and who are in need of earnings from employment to pursue courses of study at eligible institutions, and to encourage students receiving Federal student financial assistance to participate in community service activities that will benefit the Nation and engender in the students a sense of social responsibility and commitment to the community (Higher Education Act of 1965, Sec. 441. 42 U.S.C. § 2751).*

More research is needed to determine exactly how the program is achieving its mission and to identify potential areas where it may be falling short. Empirical research on FWS and its efficacy is limited, and questions persist regarding the effectiveness and ability of the funding formula to provide sufficient aid to students with the most financial need (Scott-Clayton & Minaya, 2014).

# HISTORY OF FEDERAL WORK-STUDY

**T**he Economic Opportunity Act of 1964 first established the College Work-Study Program, later renamed the Federal Work-Study Program. The act stipulated that the government would provide funds to assist institutions with the operation of a part-time employment program for low-income enrolled students; it also established that the funding would be determined by a state-by-state allotment formula.

The program was subsequently relocated into the Higher Education Act of 1965 and transferred from the U.S. Department of Labor to the U.S. Department of Health, Education and Welfare<sup>1</sup>. In 1972, Congress added a community service-learning component to the program; in 1992, Congress expanded the general purpose of the program overall to encourage student participation in community service activities. Recommendations from a panel of experts in 1979 introduced the fair share adjustment that would determine an institution's need for FWS funds by considering the cost

of attendance for students. As a result of concerns about the impact such a change would have on colleges and universities, Congress enacted a "conditional guarantee" to protect the funding levels of institutions already receiving funds from the program (Campus Compact, 2015). As a consequence of this guarantee, schools that have been in the program the longest tend to also have the highest FWS allocations.

The 1992 revision of the Higher Education Act extended the type of work generally eligible for FWS to include community service and added community service to the general statement of purpose for the program. Starting with the 1993–94 academic year, the law required any supplemental allocation that institutions received to go toward community service jobs. Starting with the 1994–95 year, it required institutions to allocate at least 5% of their FWS funds toward community service jobs, as a way to support communities surrounding higher education institutions (Higher Education Act, 1992).

<sup>1</sup> The U.S. Department of Education was not established until 1981.

The 1998 Higher Education Act reauthorization amended and emphasized a number of FWS requirements. These included increasing the amount of funds required to go toward community service jobs from 5% to 7% effective with the 2000–01 award year; including internships in the list of eligible FWS part-time positions; and requiring institutions to fund at least one project employing FWS students as reading tutors (Higher Education Act, 1998).

Amendments to the Higher Education Act since 1998 have changed FWS very little. However, as part of the current process of reauthorizing the Act, FWS has again come under scrutiny.

Recently, many researchers and financial aid experts have called the FWS program “underutilized and underfunded” (Kenefick, 2015, p. 1). However, before these issues can be addressed and significant reform can occur, practitioners, researchers, and policymakers must understand more about FWS, including its intended and achieved outcomes and the reality of how FWS works in administration. A deeper understanding of FWS will allow practitioners and policymakers to concentrate on areas that would most improve FWS for students, employers, and, more broadly, higher education.

## ADMINISTRATION OF FEDERAL WORK-STUDY

### ROLE OF THE U.S. DEPARTMENT OF EDUCATION

ED allocates the FWS funds appropriated by Congress to participating institutions, and oversees compliance with federal regulations. Recent total allocations for the FWS program appear in the Table below by fiscal year (FY) (U.S. Department of Education, 2015b).

For academic year 2014–15, allocations totaled \$965,244,341; for the 2015–16 award year, allocations totaled \$980,732,390 (U.S. Department of Education, 2015b, Table 8). Data on distribution of funds by institutions to their eligible students are not yet available for these years.

FWS ALLOCATIONS BY FISCAL YEAR							
FISCAL YEAR	AWARD YEAR	APPROPRIATION (\$ thousands)	ALLOCATIONS (\$ thousands)	AWARDS TO STUDENTS (\$ thousands)	NUMBER OF RECIPIENTS	AVERAGE GRANT	NUMBER OF PARTICIPATING INSTITUTIONS
2000	2000–01	631,000	620,842	907,743	1,174,249	773	3,658
2001	2001–02	691,000	690,630	1,007,655	1,295,089	778	3,695
2002	2002–03	725,000	724,707	1,033,811	1,345,724	763	3,711
2003	2003–04	760,000	759,189	1,064,671	1,389,608	766	3,727
2004	2004–05	770,500	770,189	1,065,643	1,408,652	756	3,748
2005	2005–06	778,700	778,458	1,084,344	1,419,055	764	3,753
2006	2006–07	770,900	770,750	1,080,508	1,417,211	762	3,768
2007	2007–08	770,900	770,690	1,058,026	1,450,246	730	3,801
2008	2008–09	757,500	757,268	1,039,312	1,451,213	716	3,763
2009	2009–10	757,500	735,706	1,066,558	1,593,467	669	3,774
2010	2010–11	757,500	757,325	1,012,608	1,633,400	620	3,799
2011	2011–12	736,000	735,706	967,480	1,645,986	588	3,761
2012	2012–13	734,599	733,061	978,470	1,632,754	599	3,763
2013	2013–14	733,130	732,858	925,246	1,547,008	598	3,714

Source: U.S. Department of Education (2015b). *Federal Campus-Based Programs Data Book 2015*. Retrieved from <http://www2.ed.gov/inaid/prof/resources/data/databook2015/databook2015.html>

Note: For some years, the allocation is greater than the appropriation, reflecting a carryover from the previous year. Funds earned include the percentage of funds that the institutions are required to contribute.

Before 1985, ED distributed FWS funds to the states, which were responsible for allocating money through review boards that evaluated applications from institutions (Scott-Clayton, 2011). This process was highly criticized as unfair because of the perceived lack of objectivity; institutions with the most influence in the state exerted that advantage to the detriment of more disadvantaged schools (Smole, 2005). Now, ED allocates FWS funds directly to institutions. The formula includes a base guarantee and a fair share adjustment. Together, these allotments make up the total amount awarded to an institution. As briefly described on page 5, the fair share adjustment was introduced in 1979. It allows the formula to reflect institutions' past allotments, while also considering institutional need, based upon the number of students that demonstrate an inability to cover the cost of attendance. However, the law still bases a majority of the allocation amount (two-thirds) on a base guarantee configured from an institution's previous-year allocation rather than institutional need (NASFAA, 2014). An understanding of this formula is critical when considering recommended policy changes, as any adjustments will have a broad, overarching impact on eligible FWS institutions and students.

## ROLE OF INSTITUTIONS

Since 1985, postsecondary institutions must apply annually for FWS funding by submitting a Fiscal Operations Report and Application to Participate (FISAP) to the U.S. Department of Education (U.S. Department of Education, 2015a). ED uses the data received from institutions on the FISAP to determine the amount of funds the participating institution will receive according to the formula described above (U.S. Department of Education, 2015a). For example, ED determines the fair share portion of 2016–17 funding based on data submitted in the FISAP for 2014–15.

As stated in 34 C.F.R. § 675.8, institutions must also comply with a number of federal guidelines.

- First, they must use the funds for the allowable purposes stated in law. A portion of the allocated funds may be transferred into an institution's Federal Supplemental Education Opportunity Grant (FSEOG) program (U.S. Department of Education, 2015d).
- Second, institutions must administer the FWS program in accordance with federal provisions. For example, 7% of an institution's FWS allocation must be used for students in community service jobs, and at least one FWS student must be employed as a reading tutor.
- Third, institutions must make FWS employment reasonably available to eligible students to the extent that available funds will allow.

- Fourth, to the maximum extent practicable, institutions should award employment that will complement and reinforce each recipient's educational program or career goals.
- Fifth, in certain situations institutions shall ensure that students may be employed in programs for supportive services to students with disabilities.
- Sixth, institutions must make eligible students aware of the opportunity to participate in community service as a part of the FWS program. The institution is responsible for consulting with local organizations to identify such opportunities.

Institutions award FWS to students through the federal financial aid process<sup>2</sup>. The award establishes a set amount of money that a student may earn by working; this amount cannot be exceeded by more than a \$300 tolerance (U.S. Department of Education, 2015e). The Free Application for Federal Student Aid (FAFSA) — which determines the amount a family is expected to contribute to the cost of attending a postsecondary institution — serves as the application for FWS. Students may indicate on the FAFSA that they would like to be considered for a FWS award. The application itself does not determine the types and amounts of federal campus-based aid a student is eligible to receive (U.S. Department of Education, 2015d).

The college or university receives a student's FAFSA information and then determines the student's eligibility and award amount based on the parameters of the institutional packaging policy. Institutions are not required to give priority to students with "exceptional financial need" (U.S. Department of Education, 2015f p. 1-79) for FWS as they must for both FSEOG and Perkins Loans, the other two campus-based programs. This central and often-lauded feature of the program means that the institution has some control over the selection process, but ED offers guidelines and suggestions for what to consider when offering campus-based aid awards to eligible students. For example, when funds are not available for every eligible student, some institutions may decide to designate a greater portion of their allotment to students with the most need, whereas others may decide to fund an equal proportion of each eligible student's need. Institutions are required to document their selection procedures in writing, apply them uniformly, and house the written procedures in the institution's records (34 C.F.R. § 675.20). The federal government also encourages institutions to place emphasis on employing students in civic education work, and, to the extent practicable, work that is relevant to each student's course of study (34 C.F.R. § 675.20).

<sup>2</sup> That is, completing the Free Application for Federal Student Aid (FAFSA), indicating on the FAFSA that the student is interested in being considered for a FWS award, demonstrating an estimated family contribution (EFC) that is lower than the cost of attendance, and establishing financial need based on the cost of attendance less EFC less other student aid.

## ROLE OF FWS EMPLOYERS

The types of FWS jobs vary, as jobs available to students range from on-campus administrative or clerical positions to math or reading tutors in the community. The majority of students (80%) work on campus (O'Sullivan & Setzer, 2014). Those jobs may include working in an academic department, food service, maintenance, or a research lab. The HEA limits certain types of employment based on the type of institutional control. (For example, proprietary institutions must employ their students themselves to provide student services on campus; this work cannot involve solicitation of potential students to enroll.)

Off-campus positions may include work for federal, state, or local public agencies, nonprofit organizations, and for-profit organizations. Off-campus employers must enter into a written agreement with the college or university that outlines the FWS work conditions for student employees. In particular, the agreement must indicate whether the institution or the off-campus entity will pay the student. Certain limitations apply to employment by for-profit institutions and for-profit organizations (34 C.F.R. § 675.21).

FWS employment must meet a set of requirements. As mentioned earlier, positions must, to the extent possible, be related to the students' educational or career goals. Work for a public agency or nonprofit organization must be in the public interest. It is up to the college or university to determine whether a particular position meets these criteria and to consider the general nature of the organization's work and the role the student would play in that organization. Certain kinds of work do not qualify for FWS. For example, political work (e.g., working for a political campaign) does not qualify for FWS. The college or university is responsible for making sure that students do not receive FWS for such ineligible positions (34 C.F.R. § 675.21).

Both on- and off-campus FWS employers have a number of responsibilities pertaining to their FWS employees. One responsibility (a statutory requirement) is that FWS workers must not displace regular workers or employees. In other words, employers may not hire a FWS student (whose paycheck is subsidized from the government) to replace a current employee who performs essential duties needed by the company or organization (U.S. Department of Education, 2015d). Employers must also pay students at least the federal minimum wage, or the state/local minimum wage if that wage is higher than the federal minimum (34 C.F.R. § 675.24).

## STUDENT ELIGIBILITY

To be eligible for FWS, students must meet the general criteria established by the U.S. Department of Education under Title IV of the Higher Education act for receiving federal aid. For example, students must have completed a high school diploma or its recognized equivalent [most commonly a General Education Development (GED)]; have completed a high school education in a homeschool setting; or demonstrated the ability to benefit from the educational program under strictly defined criteria. The student must also hold a valid Social Security number (34 C.F.R. § 675.9).

In addition, the student must also be accepted or enrolled at the institution as an undergraduate, graduate, or professional student pursuing a recognized educational credential in an eligible program<sup>3</sup>, and must demonstrate financial need as a result of filing the FAFSA (34 C.F.R. § 675.9). Financial need is based on a family's ability to contribute to the student's education as defined through an analysis of family income, assets, size, and number of family members in college. Combined, these factors are used to determine Expected Family Contribution, or EFC. If the sum of a student's EFC, Federal Pell Grant, and other aid is less than the cost of attendance, the student is eligible for FWS (U.S. Department of Education, 2015a).

<sup>3</sup> Teacher certification is an exception. See 34 CFR668.32(a)(1)(iii).

# FEDERAL WORK-STUDY RESEARCH

Research specifically addressing FWS is limited, and the research that exists often considers the program as a subset under the larger umbrella of student employment. An important distinction exists, however, between FWS and student employment. FWS students participate in a federal student aid program, whereas students employed outside of FWS are working part time or full time for additional income that may or may not be tied to their financial aid.

Regardless of whether the student performs the work through the FWS program, research into student employment indicates that working part time and pursuing an education simultaneously may have an impact (either negative or positive) on a student's non-cognitive development, academic performance, persistence to degree, and labor market outcomes. Some researchers (e.g., Astin, 1975; Dundes & Marx, 2006) have found that the right amount of work can be beneficial for students' academic performance. For example, Dundes and Marx (2006) found that students who work 10 to 19 hours per week achieved higher grades. Other studies have found that employment can have a negative impact on student success, particularly academic performance (Dadgar, 2012; DeSimone, 2008; Kalenkoski & Pabilonia, 2010; Kulm and Cramer, 2006; Scott-Clayton and Minaya, 2014; Stinebrickner & Stinebrickner, 2003).

However, much of the research in this area indicates that working in excess of a certain amount of hours causes the negative effect. For example, Astin (1975) claimed that working more than 25 hours per week can have a negative impact on persistence. Other research (e.g., Pike, Kuh, & Massa-McKinley, 2008) supports this finding, indicating that working over 20 hours per week negatively impacts grades. These hours are important thresholds to consider. It seems that the FWS policies and practice do take this into account, as FWS part-time employment is often encouraged as a supplement to a student's academic career rather than a dominant aspect.

Research suggests that where a student is employed can also make a significant difference (Astin, 1975; Hossler, Ziskin, Kim, Cekic, & Gross, 2008; Pascarella & Terenzini, 2005; Perna, 2010). Astin (1975) found that students working on campus are more likely to persist through school. This groundwork in student employment research paved the way for more recent studies (e.g., Hossler, Ziskin, Kim, Cekic, & Gross, 2008) that point to the broad benefits of student employment. Although much of the research does not differentiate the effects of FWS from the effects of other types of work-study<sup>4</sup>, Hossler, et. al. note a growing body of evidence pointing to positive effects from work-study jobs and encourage further exploration on the topic. "Although there is not a large body of research on this topic, the few pieces of evidence are intriguing — suggesting that the positive effects of college work-study programs on persistence merit further attention from both policymakers and researchers (p. 104)."

Working while in school also has the potential to improve students' labor market outcomes (Ruhm, 1997; Light, 2001). In a study conducted on high school students, Ruhm (1997) found that those who worked 20 hours per week in their senior year experienced "substantially elevated future economic attainment...measured by earnings, wages, total compensation, occupational status, or the receipt of fringe benefits" (Ruhm, 1997, p. 738). FWS jobs are more likely to be related to the student's major than non-FWS jobs. First-year FWS participants are more likely to work in administrative/clerical positions and less likely to work in sales, labor, or service (Scott-Clayton & Minaya, 2014). The alignment of FWS with a student's academic major and a focus on particular skill sets may help students find good jobs after college. Research shows FWS participants are more likely than other working students to be employed after six years (Scott-Clayton & Minaya, 2014).

Overall, the literature seems to point to positive effects for students participating in FWS. Student opinion regarding the program somewhat confirms these results, as FWS recipients report that their FWS job has an overall positive effect on their college experience (Scott-Clayton & Minaya, 2014). Further, one study on the state of Indiana notes that engaging in state-funded work-study while in college may help participants "socially integrate into higher education communities" (St. John, Hu, & Weber, 2001, p. 423). Additionally, a large body of literature points to positive or neutral effects of FWS

<sup>4</sup> The term "work-study" when referenced in the Hossler et. al. paper does not solely describe Federal Work-Study (FWS); it may include other formats such as, in this case, state-level work-study awards and programs.

participation on student persistence (Alon, 2005; Braunstein, McGrath, & Pescatrice, 2000; DesJardins, Ahlburg, & McCall, 2002; DesJardins & McCall, 2010; Dowd & Coury, 2006; St. John et al., 2001; Somers, Woodhouse, & Cofer, 2004). When compared to other institutional financial aid programs, work-study<sup>5</sup> awards have the largest effect on persistence in Year 1 and Year 2 (DesJardins et al., 2002). That comes with a caveat: One study claims that the true effect of specific financial aid programs, such as FWS, on academic outcomes is difficult to

<sup>5</sup> DesJardins, Ahlburg, & McCall (2002) examine student data from the University of Minnesota on state and federally-funded work-study awards compared to other institutional awards such as loans, scholarships and grants.

measure because aid is often inextricably tied to other student characteristics (e.g., family background) that also explain success and outcomes (Alon, 2005).

Despite the growing body of evidence demonstrating positive outcomes of participation in FWS, a number of pressing concerns and questions regarding FWS still exist. For example, the literature does not specifically address the experiences of FWS students or best practices in program implementation. Further research will be crucial for practitioners and policymakers who wish to improve FWS processes and better serve students and institutions.

## CONSIDERATIONS FOR POLICYMAKERS

The FWS funding formula is an important consideration for policymakers. The current formula benefits institutions that have participated in campus-based aid for many years, and it may not adequately support institutions with the highest numbers of low-income students. Scott-Clayton writes, “As a result, some institutions receive substantially more FWS funding per eligible student than others” (Scott-Clayton, 2011, p. 508). Further, the formula “heavily favors schools with high costs of attendance (financial need equals cost of attendance minus EFC), so even the fair share adjustment is not particularly redistributive” (Scott-Clayton, 2011, p. 509). Therefore, it seems students with the most need — who are less likely to attend high-cost institutions — may not benefit as much from FWS as the legislation originally intended. Students with higher family income are more likely to participate in FWS or any other type of student employment (Scott-Clayton & Minaya, 2014).

A restructured formula could go far to positively benefit students and institutions. Research from NASFAA’s Campus-Based Aid Allocation Task Force in 2014 presented thoughtful suggestions for adjustments to the FWS funding formula to address some of these issues. NASFAA (2014) offered the following recommendations:

- Rework the income bands used to determine institutional need for campus-based aid programs;
- Phase out the base guarantee aspect of the formula; and
- Increase the percentage of self-help assumed in the undergraduate institutional need calculation of the FWS formula.

Although policy considerations are a key step toward creating a more meaningful and effective FWS program, additional research is needed on the broader impact of FWS.

## RECOMMENDATIONS FOR FUTURE RESEARCH

Despite the large number of students who participate in FWS, research about this program is significantly lacking. Scott-Clayton and Minaya (2014) support the need for further research, stating “the body of non-experimental and quasi-experimental evidence remains inconclusive regarding the impact of FWS” (Scott-Clayton and Minaya, 2014, p. 10).

However, current literature does show that FWS is a potentially impactful tool for improving student outcomes and suggests that it warrants much more attention from the institutions that receive FWS funds and the policymakers who authorize the program (Hossler et al., 2008).

Due to the dearth of empirical study on the best practices, innovation, and implementation of FWS, little is known about promising practices and innovative approaches to benefit students, institutions, or employers. Further, much of the literature is unable to identify particular pain points for practitioners surrounding the allocation of funds or how FWS data is acquired and used.

Specifically, the list below outlines six deficiencies in the current literature:

1. Limited details about the practice of administering FWS
2. Little knowledge about the real-life experiences of FWS students
3. Limited detail about the different types of FWS jobs
4. Limited understanding about the interplay of FWS and other forms of aid
5. Failure to look at the effects of FWS by institutional sector or student background
6. Failure to analyze deeply the impact of FWS on student outcomes

Below we describe each of these deficiencies in greater detail.

First and most pertinent to this literature review, minimal literature exists addressing key practices or innovations for administering FWS. Much of the conversation focuses on government regulations, funding, and the program's general impact on students without input from the institutional leaders, financial aid practitioners, and FWS employers essential to achieving the program's main goals.

Second, little is known about the experiences of FWS students. As described earlier, a number of studies point to the impact of student employment on student outcomes (e.g., Stinebrickner & Stinebrickner, 2003; Tyler, 2003; Dadgar, 2012; DeSimone, 2008; Kalenkoski & Pabilonia, 2010). However, the real-life experience of students, particularly FWS students, is rarely part of the conversation. Many questions remain unanswered, such as: How much do students understand about FWS when they apply to the program through the FAFSA? What happens after a student receives a FWS award? How often do students decline a FWS award because they are unaware of the opportunity? How do students go about finding and securing jobs through FWS? What are the patterns of awards over a student's academic tenure?

In addition, little is known about graduate students who participate in FWS. A clearer picture of FWS administration, using both qualitative and quantitative research and analysis to focus specifically on the experience of FWS students, could provide a valuable contribution to policy deliberations around the program.

A closer look at the student experience is also needed to understand how FWS impacts time to degree, GPA, and other academic and labor market outcomes. Which of these relationships between FWS and outcomes are most significant? Which, if any, of the relationships are causal?

Third, the literature lacks detail about the types of FWS jobs available to students, and the impact of different types of jobs on student outcomes. For example, are there differences in the job characteristics of FWS positions versus other student jobs? Do these differences drive any of the academic effects of FWS? How do certain jobs drive the development of non-cognitive skills?

Fourth, the literature lacks close attention to the interplay of FWS and other forms of aid. Are students who receive FWS more likely to be receiving other federal aid as well? Is there a significant effect of FWS on student borrowing? How often do FWS students default on loans and how does this compare with other borrowers? Also, how can we differentiate between the effects of loans and FWS? Institutions often offer student loans and FWS together as a package. Therefore, students may be likely to participate in both types of programs, conflating the effects.

Fifth, much of the literature on FWS focuses on policy without attending sufficiently to other factors pertinent to FWS. For example, most research fails to parse out the effects of FWS by institutional type or student demographic, leaving unanswered questions about issues such as these: What does FWS look like at various types of institutions across the sectors of higher education (e.g., two-year, four-year, public, private)? How does FWS specifically impact certain types of students (e.g., underrepresented populations, students of varying ages or levels of family income)? A more in-depth investigation of how institutions administer FWS across higher education sectors and within specific student populations will be critical as the government considers ways to improve policies.

Finally, although the existing literature indicates FWS may have important effects, it largely fails to disaggregate FWS from other work-study programs or student employment. More rigorous study is needed to truly examine the impact of FWS, particularly as it pertains to student retention and completion. Are students more likely to continue from their first to second year if they receive a FWS award? Are they more likely to continue in subsequent years? Is there a correlation between FWS and degree attainment? What is the nature of that correlation? Additional information regarding student outcomes could provide an evidence base that would encourage and support necessary and effective adjustments to FWS policy.

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