

Missed Signals

The Effect of ACT College-Readiness Measures on Post-Secondary Decisions

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In the face of shrinking government budgets and a growing need to train a high-skilled labor force, policymakers have become increasingly interested in cost-effective measures that induce more students to pursue post-secondary education. A great deal of research has been done to understand the barriers of college entry, especially for low-income students. These barriers can be classified into three primary categories: achievement barriers, financial barriers, and information and administrative barriers. Much is known about how educational inputs affect academic achievement for students in all grades. However, policies aimed at reducing achievement barriers are often costly and must occur early and continuously throughout a student's academic career. Thus, until recently, much of the research in this area has focused on the financial barriers to higher education. Even with the availability of financial resources for higher education, a number of qualified students choose either to not attend college or to attend lower quality schools. These results highlight the existence of non-monetary barriers to entry into higher education, and suggest that targeted policies can help overcome these barriers.

Accordingly, recent research has examined the role of information and administrative barriers in the decision to attend college, and has shown that providing students with information about their higher educational opportunities, even late in their high school careers, can impact their decisions about post-secondary education. Our study examined whether students respond to information provided to them on their ACT score report about their own college readiness. Students who take the [ACT](#) receive a score report that shows their score (out of 36) on each of the four subject tests as well as their composite score, which is the rounded average of the four subject scores. If a student scores above a certain threshold (determined by ACT) in a given subject, they are informed on the score report that they are "college ready" in that subject.

Utilizing student-level data from the state of Colorado, where all students are required to take the ACT exam, we applied a statistical method that allowed us to compare students who earn scores very close to the college-readiness cutoffs. By comparing students who score just below each cutoff to those who score just above each cutoff, we were able to examine whether receiving the college readiness information had any effect on college going decisions.

We found that the college-readiness information had no effect on students' decisions to enroll in any type of college. While recent studies suggest that students' higher education decisions can be altered with information interventions, we found no such response. This may be due to the particular population we studied (those on the margin of college-readiness rather than high-achieving students) or the fact that the information was not paired with any assistance in undertaking the college application

process.

There are a number of explanations for our findings. First, students may already know if they are college-ready, and these signals provide no additional information to the students. Second, the college-readiness information may not be presented in a clear or salient manner. Although ACT is a reputable source of information and score reports sent directly from ACT are likely to be opened and at least cursorily reviewed, students may not carefully read their score report; since the college-readiness information is not highlighted, it may be missed by many students. Finally, the signal may come too late for students to make major changes that would allow them to alter their college trajectory.

Since not all information treatments affect post-secondary decisions, policy-makers hoping to improve college attendance rates must carefully design information-based policies. Although information treatments can be inexpensive to implement, this study serves as a warning that it is important to understand which types of information and which methods of delivering it will have the intended effect.

*The [full study](#) is in Andrew Foote, Lisa Schulkind, Teny M. Shapiro, "Missed signals: The effect of ACT college-readiness measures on post-secondary decisions," *Economics of Education Review*, Volume 46, June 2015, Pages 39–51*

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