

# Making Private Scholarships More Diverse, Equitable and Inclusive: The Scholarship America Dream Award



The unique power of private scholarships lies in their infinite adaptability: scholarship sponsors are free to open their doors to as wide an audience as they want, or to target their awards as specifically as they desire. The sky is the limit when it comes to defining eligibility and award criteria—and, in theory, that means the world of private scholarships is uniquely positioned to serve students who lack other means of support.

Unfortunately, inequities in private scholarship distribution tend to mirror those we see across higher education. Across the board, the highest dropout rates are seen among Black, Native American and Pacific Islander students and those at the least selective (and typically most affordable) colleges. Similarly, students of color and first-generation college students are about 1/3 less likely to earn private scholarships than their more advantaged peers.

As the nation's largest provider of private scholarships, Scholarship America is continually asking ourselves how we can do better. With the power and flexibility of private-sector dollars, what will move the dial toward more equity and diversity?

## A Study in Inclusion

When we began to develop the Scholarship America Dream Award in 2013, we didn't explicitly set out to create a "diversity scholarship" or to target any particular demographic. Instead, we researched [public](#) and [private](#) school statistics and [census data](#) and consulted with our experienced program designers, ultimately identifying a population in need: students who'd overcome adversity to get into college, but whose scholarships were only enough to help them pay for their freshman year.

These students, despite being talented and determined, were at risk of the worst-case scenario of dropping out before graduation, saddled with student loan debt and no degree. They'd received a groundswell of community and school support just to make it into college, but found themselves adrift after that initial aid ran out. Pell Grants, the most generous federal aid for low-income students, only cover about ¼ of the average cost of college—enough to bring costs down, but not enough to keep students on track.



*"My biggest fear about going to college as a first-generation student was not about passing classes but rather being able to simply afford it. The Dream Award helped provide financial relief. It has lifted stress off my family's shoulders."*

**Michelle Nguyen**, Dream Award Scholar

## Increasing Access to Increase Impact

Because we knew this group of students largely comprised first-generation, students of color and lower-income populations, we wanted to lean into the Dream Award's spirit of inclusiveness. The program was built to have broad and easy-to-understand eligibility requirements. Any full-time student in an associate's or bachelor's degree program is welcome to apply, provided they have a 3.0 GPA and financial need.

This strategy has led to a uniquely diverse group of Dream Award Scholars: they are from widely varied ethnic backgrounds, pursuing an array of different degrees and fields of study at all kinds of colleges and universities. They are both citizens and DACA students, and they have divergent but ambitious goals.

Roughly 25% of Dream Award Scholars identify as African American, and another 1/3 identify as Hispanic. And nearly a quarter of our Dream Award recipients are DACA students, whose status allows them to attend college but not to access federal aid, leading to heavy reliance on private scholarships.

This diverse group does have one common element: they come from the same challenging circumstances that tend to lead toward higher dropout rates. Nearly 70% of them are the first in their families to earn a bachelor's degree, and more than 90% of them rely on both scholarships and work to help pay for college. What's more, 80% are responsible for contributing to their family's income, and 30% serve as caregivers at home.

## Ongoing Financial Support is Just the Beginning

To serve this population, we knew that the Dream Award had to be renewable. Applicants had already experienced their financial aid drying up once—we had to be certain that it wouldn't happen again. To keep up with skyrocketing costs, we built growth into the program. Each Dream Award Scholar receives funds for up to four years, and the amount of their award grows by up to \$1,000 each year to account for cost of living increases.

This dedicated, ongoing support helps in two ways: eliminating financial stress and opening up new opportunities for resume-building activities like internships, studying abroad and volunteering—because college is more than what takes place in the classroom, and skill- and network-building are vitally important as our scholars plan for what's next. (That's why they're also invited to come together each year at our Dreams to Success celebration!)

With an average total award of more than \$24,000, the Dream Award is a truly impactful scholarship, especially for the many Dream Award Scholars whose parents are unable to contribute financially to their education. With Dream Award help, 60% of Scholars reported graduating with no student loan debt, and 73% of Scholars still in college anticipate having \$10,000 or less in debt when they graduate. That's significantly less than the national average of \$29,800 in student loan debt at the time of graduation.

In the six years since the first Dream Awards were presented, our Scholars have bucked the dropout trend, graduating with all kinds of degrees in widely varied fields of study. They're following their passions, whether those are for science, language, social justice, entrepreneurship or public service.

And they're continuing their education: half of all recipients have said they're able to pursue a graduate or advanced degree thanks to the Dream Award. They've been able to take advantage of new opportunities to study and live abroad; to inspire younger family members; and to give back to their communities—one Dream Award Scholar is even working as a teacher in the elementary school where she grew up.

By providing needed support to students who often fall through the cracks, the Scholarship America Dream Award is addressing student needs and providing a new model of equity and inclusion for private scholarships. If you're ready to work with us on your own initiative, let's talk.

