

# Hope for the Pell? Institutional effects in the intersection of merit-based and need-based aid

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**Abstract:** Prior empirical evidence finds that general enrollment effects of merit-aid programs such as the Georgia HOPE Scholarship are large and significant, while the effects of need-based aid programs such as the Pell Grant are modest and often insignificant. This paper uses new panel data on Pell awards to examine the influence of the Georgia HOPE Scholarship on needy student enrollments. We demonstrate that the introduction of merit aid in Georgia generally improves the college access of needy students and has been leveraged into greater federal Pell assistance. While institution-specific increases in both Pell enrollment and funding are largest at two-year and less-selective four-year institutions, the results suggest that Pell students are not crowded out of more-selective schools by HOPE's intent to retain the best Georgia high-school students, as might have been anticipated.

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