

Financial Aid Planning for Access, Success, and Impact



Leading the Way Compact Planning Forum

March 30, 2014

Financial Aid in Access



Financial Aid Comprehensive Plan

- **This plan should guide institution level financial aid allocation, administration, and outreach and report on the success and outcomes of this plan. The plan should articulate goals which align with the institution's mission and this master plan; the institution's strategies in aid allocation, administration and outreach to reach those goals; and how the institution will assess the success of those strategies to progress toward the goals.**

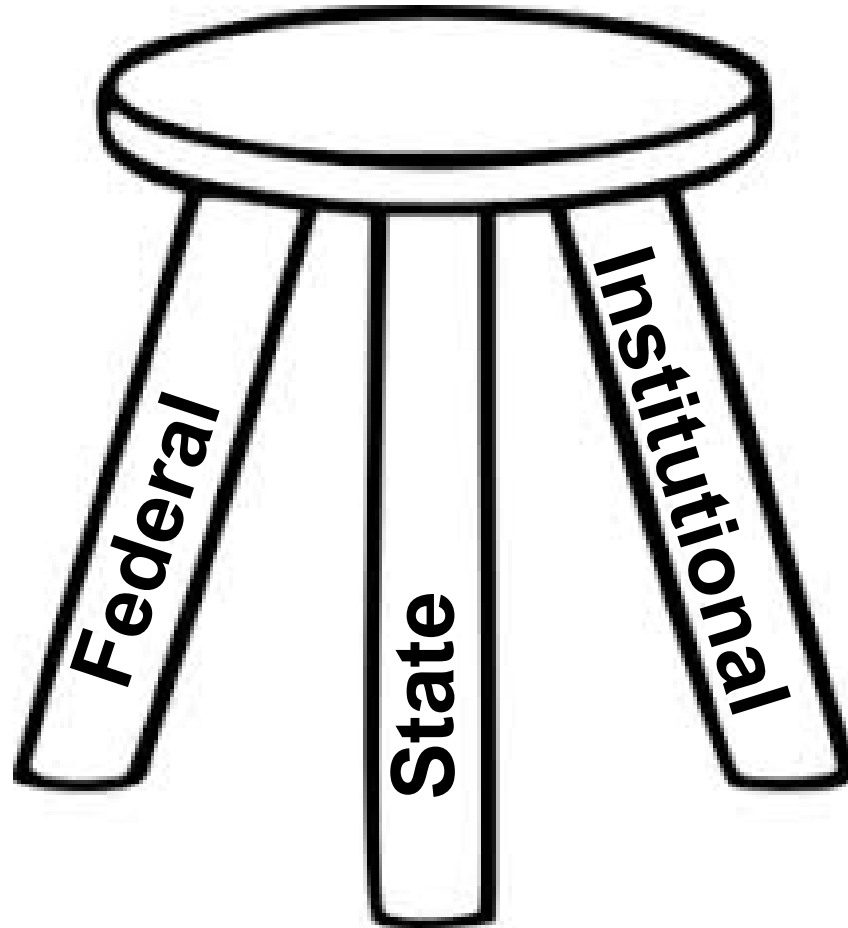
Factors that Impact Access

- **Accessible information**
- **Adequate preparation**
- **Feasible cost**

Institutional Financial Aid

- **2011-12 public 4 year institutions**
 - **Awarded institutional grants and scholarships to 14,346 students for a total of just over \$40 million**
 - **Awarded tuition waivers to 12,108 students for a total of \$71.6 million**

Financial Aid Comprehensive Plan



Financial Aid in Access

- **State appropriations decreasing**
- **College costs are rising**
- **Family income remains stagnant**
- **Stagnant federal and state funding for financial aid**
- **Pressure on institutional budgets to provide institutional financial aid**

Financial Aid in Access

- **Are you spending too much on institutional aid?**
- **Is it being spent on the right students?**
- **What is the mix of merit aid and need-based aid that an institution should offer?**
- **How is financial aid impacting student enrollment behavior?**
- **Are you analyzing data to refine and improve the institution's financial aid strategy within the constraints of available resources?**

Financial Aid in Access

- **Provide aid packages that yield the optimal mix of students (recruitment)**
- **Close gaps between costs and resources that may prevent students from persisting (retention)**
- **Meet net tuition goals**

Financial Aid in Access

– Set institutional enrollment goals

- Enrollment Numbers
- In-state/out of state
- Net tuition revenue
- Diversity
- Academic profile
- Academic programs
- Serve underserved populations

Financial Aid in Access

- **Financial aid plan should be developed in relation to accessing and analyzing data and how financial aid has impacted enrollment behavior among subsets of students**
- **Develop financial aid plan in relation to cost of attendance or direct costs**
 - **How are you going to “gap” students – relation between resources and costs?**

Financial Aid in Access

- **When developing a plan; the data is critically important**
 - **Who enrolled and who did not enroll and their financial aid packages**
 - **Important to separate students into subsets that would skew the data from the majority of students (athletic aid offers)**

Financial Aid in Access

- **Depending on your sample sizes you may be able to assess enrollment behavior based upon financial aid awards among academic programs, geographic regions, among varying merit or need based award levels**

Financial Aid in Access

- **Once assessment of data is completed; changes to institutional aid packaging may be made to help improve the yield of students among various subsets to meet future enrollment goals**

Financial Aid in Access

- **Process is repeated each year to assess whether financial aid changes had desired effect on enrollment goals**
- **As institution gains experience in process, it will be able to better forecast the impact changes in aid policies will have**

Financial Aid in Access

- **Financial aid is not in a vacuum**
- **Changes to financial aid policies and awards should be communicated and promoted (marketing plan) to maximize impact on enrollment**
- **Financial aid cannot fix everything**

Financial Aid in Success



Financial Aid in Success

- **Continue analysis with the retention of those students who enrolled the following year**
- **Make changes to financial aid policies to improve retention**

Financial Aid in Success

- **Financial aid, cost, or affordability is one of the top reasons why students withdraw**
- **There are a number of other drivers that impact retention (academic success, involvement in campus, residence, academic preparation, etc.)**

Financial Aid in Success

- **Level of indebtedness, unmet need, and level of grant aid can have a significant impact but can be overcome by other factors**
- **Satisfaction and variables such as relationships, connections, and involvement tend to drive re-enrollment behavior**

Financial Aid in Success

- **If student enrolls at a lower cost institution, then maybe cost was a factor**
- **Many families plan for the first year of college but not years 2-4.**
- **Students look at student loan debt compared to perceived value**

Financial Aid in Success

- **Is institutional aid maintained all 4 years or are aid awards only for the first year?**
- **Is institutional aid adjusted when there are changes in financial need**
- **Use of work-study instead of grant aid to improve retention**

Financial Aid in Success

- **Financial issues combined with other issues create a “tipping point” such as academic performance, campus relationships, etc.**
- **Other interventions may be more successful improving retention than increasing financial aid**

Financial Aid in Impact



Financial Aid in Impact

- **Financial aid policies have impact on access and success (enrolling, retaining, and graduating students) which ultimately will IMPACT loan indebtedness and a student paying back their student loans**

Financial Aid in Impact

Poor Educational Outcomes

Poor Employment Outcomes

Poor Repayment Outcomes

Comprehensive Financial Aid Plan



HEPC Initiatives

- **FAFSA Data share with high schools**
 - High schools will be able to identify students who have a Completed FAFSA, Incomplete FAFSA, or no FAFSA
- **Statewide Financial Aid Night calendar**
 - Ensure every high school is providing financial aid information and set dates in advance for promotion.

FAFSA Completion

- **25-30% increase in likelihood of low and middle-income students enrolling in college if they simply complete the FAFSA**

Department of Education and National Center for Education Statistics

- **Students who received direct assistance with the FAFSA had college enrollment rates 29% higher than those who only received information or no assistance at all**

National Bureau of Economic Research, 2007

Putting a face to a number



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