



Financial Aid Timing in the Era of Early FAFSA

How to Maximize the Recruitment Value of Aid Packaging

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Enrollment Management Forum
Marketing and Recruiting Effectiveness Center



▶ Start with best practices research

- > Research Forums for presidents, provosts, chief business officers, and key academic and administrative leaders
- > At the core of all we do
- > Peer-tested best practices research
- > Answers to the most pressing issues

▶ Then hardwire those insights into your organization using our technology & services

Enrollment Management

Our **Enrollment Services** division provides data-driven undergraduate and graduate solutions that target qualified prospective students; build relationships throughout the search, application, and yield process; and optimize financial aid resources.

Student Success

Members of the **Student Success Collaborative** use research, consulting, and an enterprise-wide student success management system to help students persist, graduate, and succeed.

Growth and Academic Operations

Our **Academic Performance Solutions** group partners with university academic and business leaders to help make smart resource trade-offs, improve academic efficiency, and grow academic program revenues.

1.2B+

Student interactions annually

1M+

Individuals on our student success management system

1,200+

Institutions we are proud to serve

1

Goal: Make education smarter

1 The New Reality of Early FAFSA

2 Using Aid Packaging for Engagement



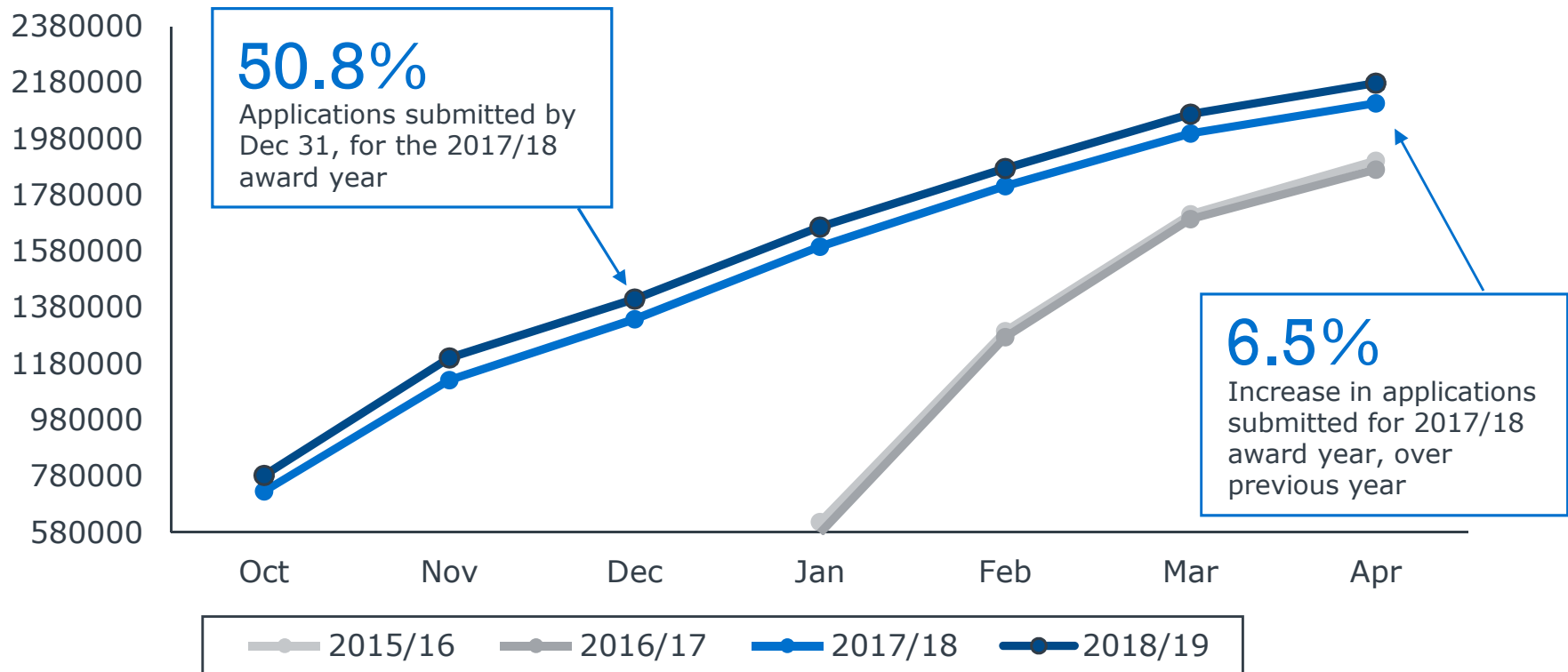


Families Have Embraced October Availability

Since Early FAFSA, the Majority of Students Are Applying Before Jan 1

More Students Are Submitting, and Submitting Earlier, Since Early FAFSA

FAFSA Applications Submitted by All First-Time Students Nationally





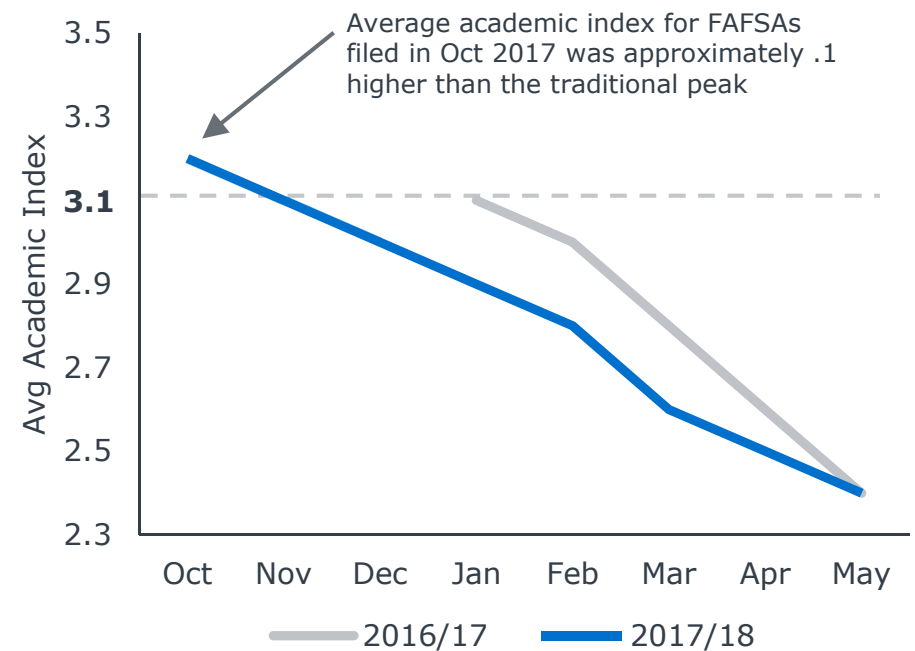
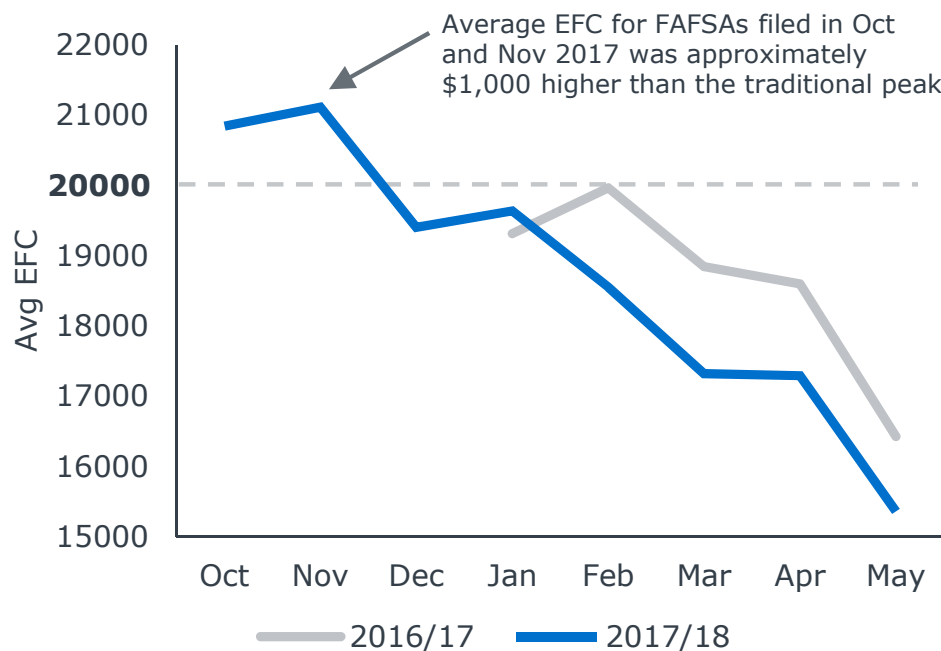
First Months of FAFSA Attract Critical Segments

Early Filers Are More Likely High-Achieving and Higher EFC Under Early FAFSA

Higher Family Income and Higher Academic Ability Correlated with Early Filing

Average EFC and Average Academic Index¹ of Students by FAFSA Filing Month

n=140 institutions



<6% Difference in proportion of other demographic segments who applied in Oct/Nov 2016

1) Academic Index is calculated from GPA, test scores, and high school rank. 1 is the lowest score; 5 is the highest.



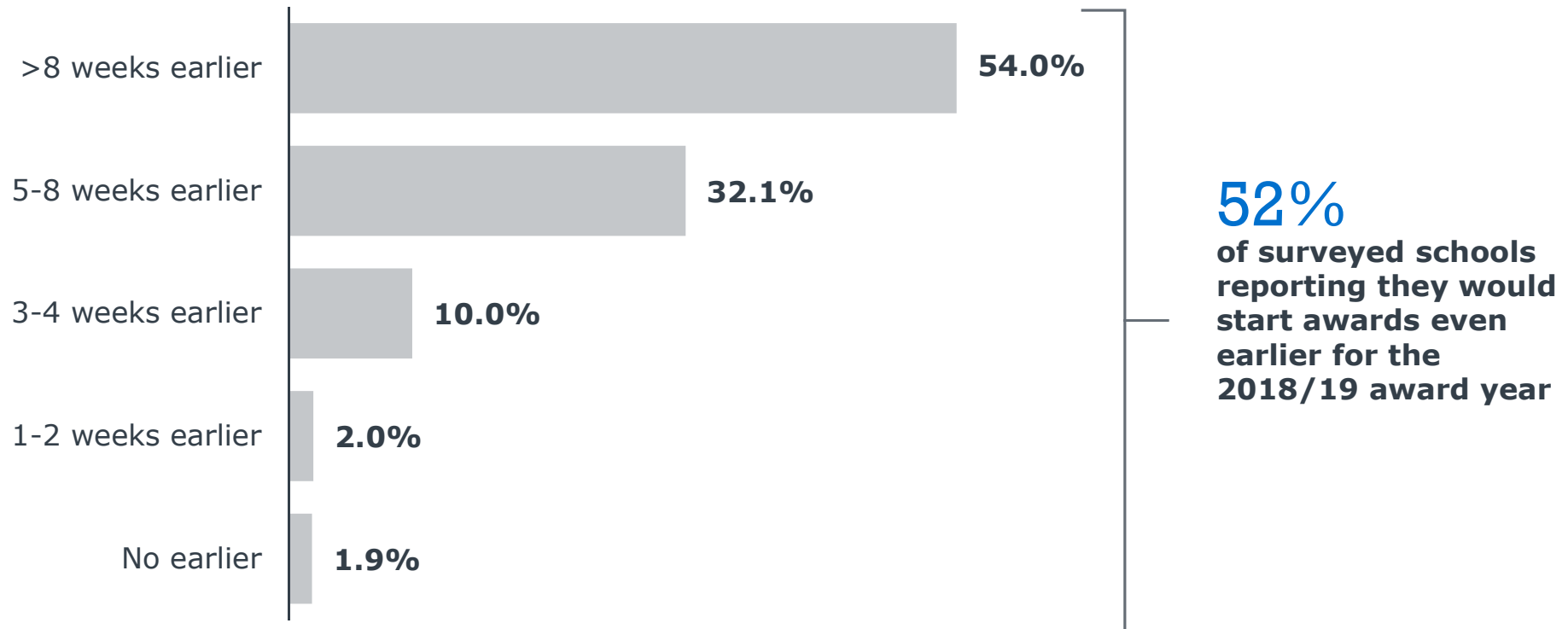
Schools Are Advancing Their Timelines

Many Financial Aid Offices Are Also Embracing Early FAFSA

Majority of Schools Sent Aid Letters More Than Two Months Early for 2017/18 AY

Surveyed by EAB Enrollment Services

n=105 (76 private institutions, 29 public institutions)



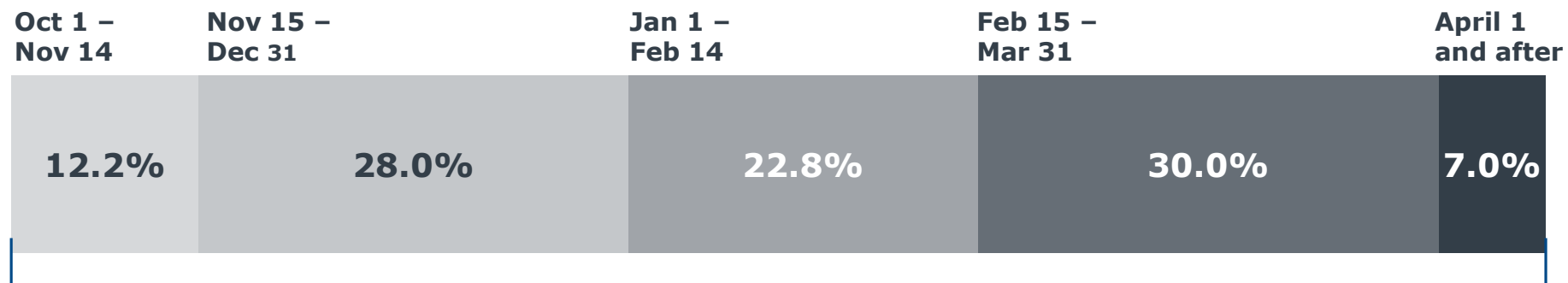


School Response Has Created a “New Early”

Aid Package Timing Shows Early Schools Clustering in Late Fall

November Is the New March

Packaging Dates for EMF Member Private Schools With Rolling Admissions, 2018/19 Award Year
n=57



School response creates new timing categories



7 out of 12

Number of Big-12 schools that sent out financial aid letters in January or earlier for the 2018/19 award year



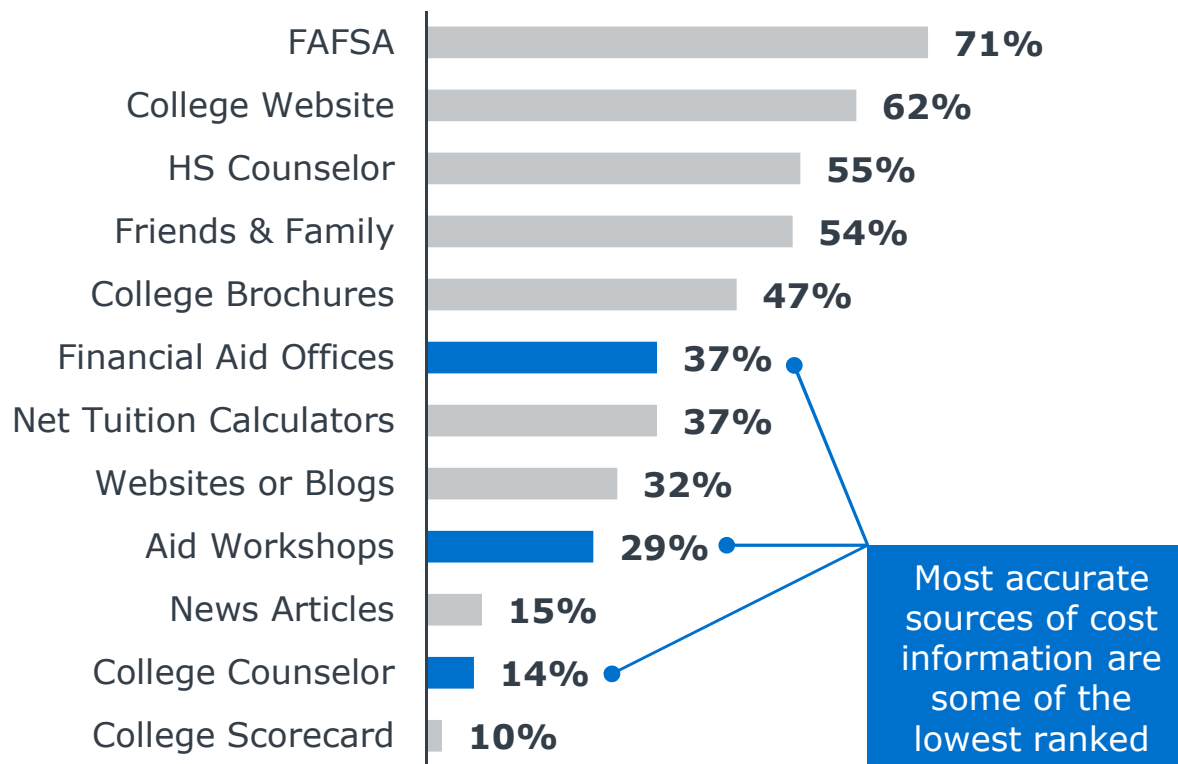
Families Make Decisions Based on Wrong Info

Early FAFSA Allows Schools to Intervene on Cost Misperceptions

Sources Used by Prospective Students to Find College Cost Information

Sources Used by January 2016 ACT Takers to Find College Cost Information

n = 1,199



The Cost Expectation Double-Bind

45% of students look at only sticker price to determine cost of attendance

32% of students declined admission to a college after realizing it would cost more than they'd expected



Opaque Aid Letters Lessen Benefits of Early FAFSA

Cost Transparency Remains a Perennial Issue



uAspire Testifies Before U.S. Senate Education Committee on College Affordability

11k

Financial aid letters analyzed by uAspire and New America, in late 2017

“One-third of the letters we analyzed don’t list *any* cost at all. There is literally *no* price tag. One-third of the letters mention only “direct costs”—what is needed to pay the school to enroll. And only one-third of these letters did what we believe they should, which is to include both direct costs and the ‘indirect expenses’ like books and transportation.”

*Laura Keane
uAspire Chief Policy Officer
Testimony to Senate Health, Education, Labor,
and Pensions Committee, Jan 2018*



A Common Story

“The daughter of one of my good family friends was applying to college this year. **They had essentially ruled out her first choice as too expensive**, but they brought five financial aid letters over for me to explain to them, because they were confused about what aid would actually be coming to them from each school. When we sat down and separated out the institutional gift aid from all three, they realized that **her first choice was actually one of the least expensive of the bunch.**”

*VP of Enrollment Management
Small Southern Private University*

51%

of families find it difficult to compare aid letters across institutions

Section 1 Takeaways



Families are embracing October 1 availability of FAFSA by submitting applications early. This is particularly true of high-achieving and high-EFC students.



Schools—particularly regional private schools—are also embracing Early FAFSA by mailing aid packages several months earlier. This trend is expected to continue.



These changes don't necessarily solve the issue that Early FAFSA was meant to solve (i.e., families having more time with accurate aid information). However, it provides opportunities to address this issue while also deepening recruitment relationships.

- 1 The New Reality of Early FAFSA
 - 2 Using Aid Packaging for Engagement
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Target the New Early

Use Fall Packaging to Build Affinity with Prospective Students and Families



Send the first round of financial aid letters between mid-November and mid-February

- If possible, send before December 15
- If not possible, send as soon as possible after first round of admissions notifications
- Avoid sending too late into December
- Develop a follow-up plan
 - **How** are the best ways follow up on the aid letter?
 - **When** are the best times to follow up on the aid letter?
 - **Who** is responsible for following up?

Use Estimates for Early Packaging

Particularly for Public Schools, Don't Wait for Final Aid Information



Metropolitan State University of Denver Sends Estimated Aid Letter in Early October and Follows Up with Official Letter in Spring



Fall: Estimate

- Estimate budget components based on models from previous years: tuition and fees, state and federal aid
- Set students into packaging groups as ISIRs come in
- Send estimated letters as soon as possible, with simple language and opportunities to follow up with counselors



Spring: Adjust

- Adjust awards to full packaging groups once budget components have been finalized
- Send new letters with federal boilerplate language
- Allow students to accept federal and state aid and work-study



Investing Time Upfront Means Fewer Staff Hours Needed Later

“We do not have a significantly larger staff than our peers, but our process of managing awards and re-awards is all system-based. We simply tweak the packaging processes we use in October, and re-run them again in May. It took some time to develop, but **now that it’s created, the process does not require significant additional attention.”**

*Thad Spaulding,
Director of Financial Aid*

Treat the Aid Letter as a Touchpoint

Anatomy of an Aid Letter Designed to Support Decision-Making

Messaging of value proposition prominently placed adjacent to costs

Letter lists sources of aid, includes a worksheet to calculate their net cost

Letter uses bold fonts and yellow to call out important info

Generous white space makes letter welcoming and easy-to-navigate, and highlights important contact information

Payment options clearly laid out, prioritizing outside scholarships and payment plans

Back page lists clear next steps

SERVICES AVAILABLE TO YOU
AS AN ENROLLED STUDENT AT HAZELU

Hazel University students get free access to **SALT**, a financial literacy platform for all current students and alumni. This platform assists with a variety of topics, from scholarship opportunities to financing your first car or building your first budget. Sign up for access today at www.salt.org/hazelu.

Visit the Financial Literacy Center within the Student Financial Services office for information on **PRIVATE SCHOLARSHIP OPPORTUNITIES!** Opportunities are based on application deadlines.

WE ARE HERE TO ASSIST YOU
Contact your Student Financial Services counselor to schedule an appointment to review the details of your financial aid award.
Phone: 555.555.5555
Email: financialaid@hazelu.edu
Fax: 555.555.5555
Location: Hazel Building, First Floor

HAS SOMETHING CHANGED IN YOUR FAMILY FINANCIAL SITUATION?
If so, submit a letter of appeal to financialaid@hazelu.edu

HOW DO I COVER MY COSTS?

OPTION 1 Outside Scholarships

OPTION 2 Payment Plan

OPTION 3 Federal Loans

OPTION 4 Alternative Loans

OPTION 5 Combination

USE THE INFORMATION ABOVE TO CALCULATE YOUR APPROXIMATE ANNUAL COST.

COSTS

\$ 50,600

GRANTS AND SCHOLARSHIP (use amounts in #1-4 above)

STUDENT LOANS (use amounts with a * above)

ESTIMATED ANNUAL BALANCE (Contact Student Financial Services for guidance with your estimated annual balance.)

HOUSING HIGHLIGHTS

Has reduced the costs of living on campus? Why? To meet the financial needs of students and families and to enhance students' experience. Studies show that students who live on campus:

- Have a higher GPA.
- Report a higher degree of satisfaction with their college experience.
- Are more likely to graduate – and to do so in 4 years.
- Participate in more activities.
- Have greater self-confidence at graduation.

Learn more at www.hazelu.edu/OnCampus

INDIRECT COSTS

You may spend \$2,300 for things like books, personal expenses, etc. This is billed each semester.

SHOPPING SHEET

You are entitled to a personalized Financial Services shopping sheet. Please contact our office if you need one.

NEXT STEPS
Congratulations on your admission to the University of Hazel!

1 COMPLETE AND SUBMIT ENROLLMENT FORMS
To receive your state of Michigan's state scholarship award, you must complete and submit these forms to the Office of Admissions. **YOU GET THIS, WE'LL GET IT DONE FOR YOU!**

2 ACCEPT YOUR AID LETTER
Starting in February, we will send you your award letter. Please accept your award letter by the deadline.

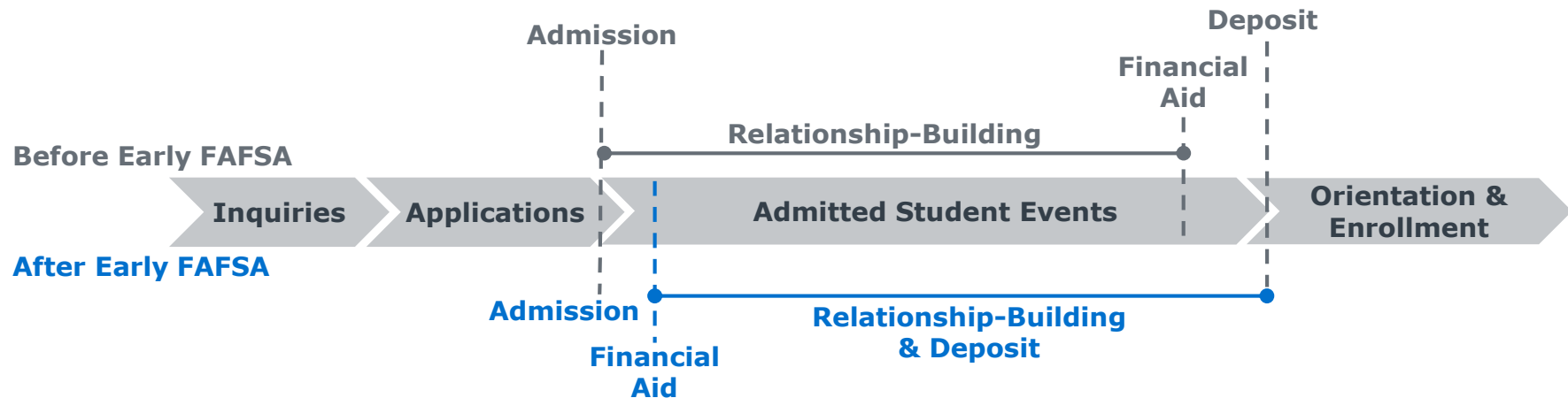
3 COMPLETE ANY OUTSTANDING DOCUMENTATION FOR SFS
SFS Documentation Outstanding (Check your award letter for details.)
Submit your SFS Documentation to: financialaid@hazelu.edu
Speed Award Letter

Contact Student Financial Services if you need help at financialaid@hazelu.edu

1) Hazel University is a small private university who wishes to remain anonymous

Use the Aid Letter as a Springboard for Engagement

Use Families' Knowledge of Cost to Communicate ROI During Touchpoints



Perspective Shift: Fall Packaging Creates Time for Deeper Relationships

I think there has been a fear among my counterparts that **spreading out the money conversation over more time would expose that we don't actually have value**. I don't see it that way: **I see it as an opportunity to deepen our relationship and show families that we do have a good ROI**. When our packages were going out in March, the timeline was too tight to pay careful attention to how families were thinking about their investment. **Extending the yield window has allowed me the opportunity to engage more of the campus in our value proposition.**

*VP of Enrollment Management
Small Midwest Private University*





Engage with Families About Aid During Events

Empower All Recruitment Staff to Have Conversations About Aid and Value



Spotlight Practice



Florida Southern College Cross-Trains Recruiters to Talk Through Aid Details at Regional Admitted Student Events



Cross-Train Recruiters on Financial Aid and Institutional ROI

- **Financial Aid 101**
- **Annual Training Sessions:**
 - **Role-play conversations with families** using sample aid letters
 - **Trade tips** for handling difficult situations
 - **Hear updates from academic departments**, which helps the recruiters make their value messaging more specific



Invite Families to Make Financial Aid Appointments at Regional Events, where a recruiter:

- ▶ **asks the family what they want** out of the college experience
- ▶ **walks the family through their aid package**, using a cost of attendance worksheet
- ▶ **addresses any of the family's concerns** in the moment. They help the family set up an appointment with the financial aid office in case of special circumstances
- ▶ **puts cost of attendance into context**, explaining FSC's value as an "engaged experience" and connecting that value messaging to what families have said they're looking for

Differentiate Between Financial Concerns

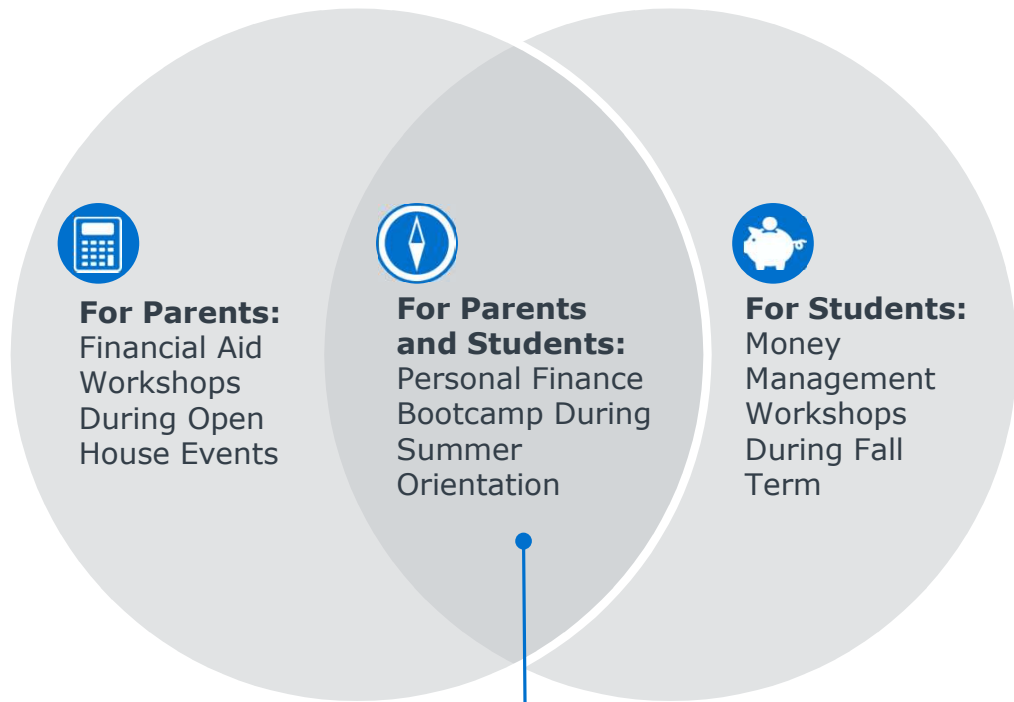
Fall Packaging Opens Up Time to Have Varied Financial Conversations



Western New England University Uses Extra Months to Separately Address Parents and Students through “Culture of Financial Wellness”



“These workshops are outstanding: down-to-earth and applicable immediately to both our student and our family.”
-Parent of WNE Freshman



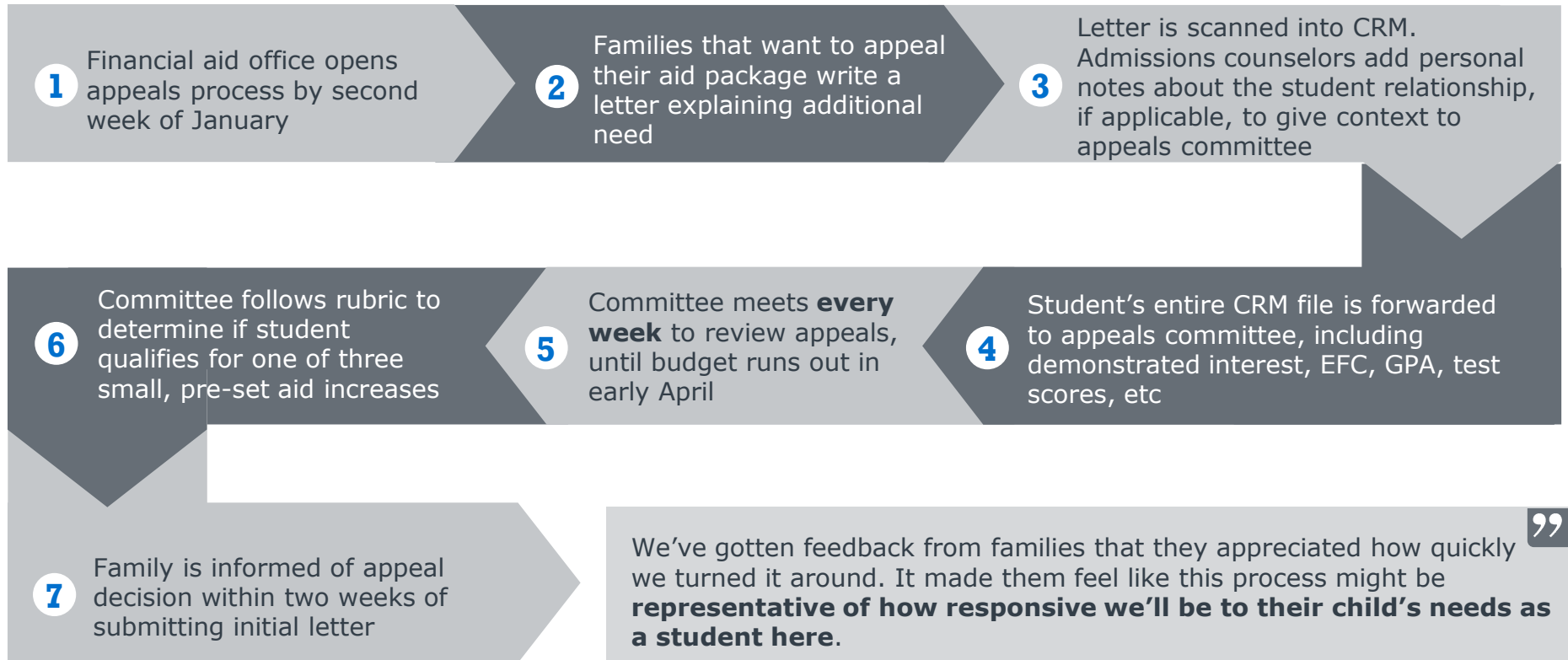
WNE uses these workshops to put college costs into the broader context of life-long money management.

Take Advantage of Appeals

For Schools That Accept Appeals, Make Them Customer Service Opportunities



Western New England University's Efficient Appeals Process Displays Responsiveness



We've gotten feedback from families that they appreciated how quickly we turned it around. It made them feel like this process might be **representative of how responsive we'll be to their child's needs as a student here.**

Bryan Gross, Vice President of Enrollment Management



7 Recommendations for Using Aid to Deepen Engagement

- 1 Target the New Early (and follow up)
- 2 Use Estimates for Fall Packaging
- 3 Treat the Aid Letter as a Touchpoint
- 4 Use the Aid Letter as a Springboard for Engagement
- 5 Engage with Families About Aid During Recruitment Events
- 6 Differentiate Between Students' and Parents' Financial Concerns
- 7 Take Advantage of Appeals

Thank you for joining our presentation!



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