



## Holistic Approach to Better Serve an Under-Resourced Demographic

SASFAA Conference  
2015

Memphis, Tennessee

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### The Band:

Matisa Schraven   
Federal Contracting-  
Iraqi Veteran  
MOHELA

Michael O'Grady   
Client Relations Manager  
Financial Aid Services

Francisco Valines   
Financial Aid Director  
Florida International  
University

Robert Muhammad   
Financial Aid Director  
Winston-Salem State

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### The Lyrics: August 22, 2013

“I think we should rate colleges based on opportunity. Are they helping students from all kinds of backgrounds succeed?... How much debt does the average student leave with? How easy is it to pay off? How many students graduate on time? How well do those graduates do in the workforce?”

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## From 8 Tracks to Spotify-Downloading the New Demographics

- Non-Hispanic white population will increase by 10.2 million by 2020 % that have a college degree  
31.1%
- African-American population will increase by 9.5 million by 2020 17.6%
- Hispanic population will increase by 24.1 million 12.6%

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## Setting the Stage

- By 2020 65% of all jobs will require postsecondary education
- In 1993 the average student loan debt load (in today's dollars) was \$14,500
- In 2012 the average debt was \$29,400
- In 1999 the national default rate was 5.6%
- In 2010 the national default rate was 9.1%
- In 2014 the national default rate was 13.7%

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## Blues....

- 1.3 trillion in student loan debt. More student loan debt than credit cards
- Forbearance abuse under single contractor model
- Financial education needed to address new loan levels
- 5% of retired individuals have student loan debt.
- Financial education's relationship to retention, and alumni relations

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### More Blues.....

- Borrowing – no mechanism to limit at school level?
- Caliber of Students – 2/5 unprepared?
- Major/Career Choice – Hooray more students in leisure studies.
- Academic Performance – No more in loco parentis.
- Completion Timeframe – Average student changes majors 3x and 80% do it at least once?
- Future Earnings – College credential is not the only factor shaping who gets what job.

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### The Back-up Band Leaves the Stage: State Divestment

- 47 of 50 States have divested in higher education
- States have off loaded revenue burden on to students in the form of student loans debt
- 47 states have increased their share of public college revenue from tuition
- Economic recovery doesn't mean this trend will be reversed.

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### SASFAA at a Glance

• National Average for Public Nonprofit:	\$28,400	69%
SASFAA:		
Virginia	\$25,780	59%
North Carolina	\$24,319	61%
South Carolina	\$29,092	59%
Georgia	\$24,517	61%
Florida	\$24,017	53%
Alabama	\$28,895	54%
Kentucky	\$24,693	59%
Tennessee	\$24,585	57%
Mississippi	\$27,571	57%

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### What is Performance-Based Funding?

- Goals
- 22 States have adopted a PBF model
- Head winds include state appropriation cuts, and an increase in 'at-risk' demographic as prospective students

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### Persistence/Retention

Why should Financial Aid offices care about "persistence?"

- 1)Accountability - Accountability - Accountability
- 2)Discretionary budget has a bull's eye on it
- 3)Huge waste of tax payers' money when students don't graduate
- 4)" Stop outs" are less likely to pay their student loans
- 5)Higher Education Act reauthorization proposals

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**FTE = FTE**

*Why should we care about Full-Time Enrollment???*

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## Good News –Bad News

GOOD NEWS! More African-American Students are attending college more than ever

Bad News: Only 42% go on to get their diploma

What are the ramifications for performance based funding and score cards?

Initiatives at Winston-Salem State University and Florida International University for better retention

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## Engagement and other Factors

Advisor Interaction: Student that met with their advisor in their first year were 30% more likely to graduate

School Clubs: Those students participating in school clubs were 39% more likely to graduate

Work Hours: Those students working more than 20 hours a week were 19% more likely not to obtain a degree than those not working

Full-time Enrollment: Student attending full-time are 2 times more likely to graduate

Stop Outs: Students that stop out are 60% less likely to graduate

4 Year Institution: Students entering a four year institution are 63% more likely to obtain a degree

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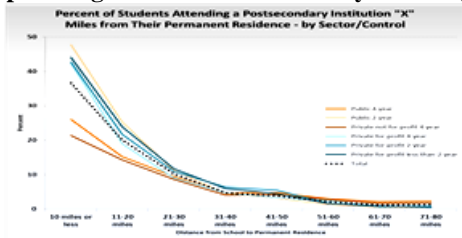
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## Zip Coding off to School: Proximity to College




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## The ED Finance Challenge

The difference between college and a can of Coke

- **Permanent Income Hypothesis**
  - People don't spend based on their "current" income but instead on their permanent income
- **Students have distorted perceptions about borrowing and future income**
  - They underestimate debt and overestimate income potential

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## How Colleges Function

- Colleges are NOT factories. They don't produce "graduates" the way General Motors produces cars.
- Instead, colleges behave (at least on the educational side) like health clubs.
- The important aspect of the health club model is that responsibility for education production lies with the patron, not the firm providing the service.
- For many students, the objective is not to get an education, but to get a credential
  - Source: Dr. Carlo Salerno

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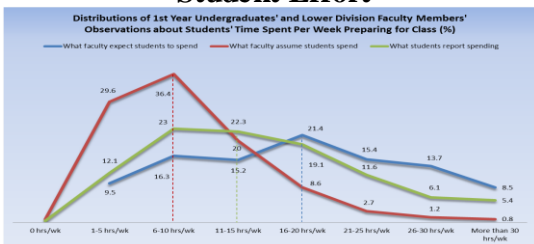
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## Student Effort




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## Student Effort (cont.)

The average student skips about 104 classes over their college career – the cost is about \$2,400 (\$6,600) at a public (private) institution.

That's about \$2,400 in grant aid blown on skipping.

Students who waste time are about 3x more likely to find themselves unemployed after leaving college and about 2x more likely to live back at home with their parents again.

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## Financial Aid's Role

According to Thom Golden from Vanderbilt University, non-traditional students don't enroll often due to: Concerns over affordability and Lack of clarity around eligibility. Lack of financial literacy training

According to ACE - 1.8 million low-income students would received financial aid but didn't apply

Gender Gap Challenges: 1) Male vs female attendance is becoming lopsided 2) Females have better persistence 3) Males more likely than females to cite financial reasons for stop-outs (40% vs 23%) - however males are less likely to complete the FASFAA (69% vs 76%)

Financial constraints are the #1 reason given by 50% of students who drop out.

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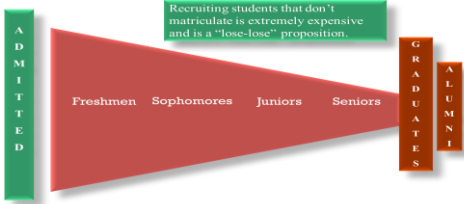
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### Retention Funnel




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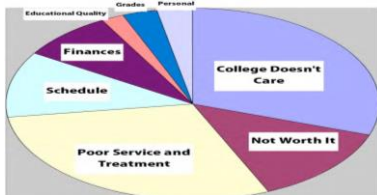
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### Real Reasons Students Leave Higher Education




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### Retention Pays

A small private college of 1000 students in New York State with 43% of its students Pell eligible instituted an early identification and automated alert system to improve retention.

- Spring 2010 to Fall 2010 they retained 36 students more than the previous year.
- Fall 2010 to Spring 2011 they retained 39 students more than the previous year.
- Spring 2011 to Fall 2011 they retained 59 students more.
- Fall 2011 to Spring 2011 they retained 70 students more than the previous year.

Total Net Revenue: More than \$2 Million dollars.

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### The Right Instruments: All in Tune

- Academic Engagement
- Student Support Services: Interventions
- Faculty and Staff Interactions
- Student Community
- FINANCIAL LITERACY!!!

Financial aid staff can impact both formal and informal systems through intentional focus on debt burden, time to degree, and breaking through silos - using structure and culture to enhance outcomes.

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### Practical Structure

- Short-term and standard course sequencing
- Students start together and stay together (cohorts)
- Block scheduling of coursework
- Structured career-specific curriculum
- Remediation built into coursework
- Tutoring by faculty and peers
- Hands-on teaching and learning
- Integration of workplace experience
- Stable full-time staff

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### Successful Outcomes

- Shorter time to degree reduces costs/debt
- Campus wide efforts needed
- Loan counseling integrated with academic and career guidance through access to data
- More intrusive counseling and outreach based on assessment of risk

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Virginia Commonwealth FASFAA Countdown Clock!!!



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### Practical Suggestions

- Reminders to FAFSA filers who do not refile before state deadlines
- Package for full time attendance
- Project monthly debt by academic program based on completion data
- Provide training to career and academic counseling staff regarding aid limitations (Pell grant limits, aggregate debt)

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### Climbing the Retention Mountain

- College Liaison Program
- Intrusive Advising
- Major Maps
- It's all about the family
- One-Stop Enrollment Services
- Coordinated Communication Plan/Website
- Targeting Institutional Aid Dollars

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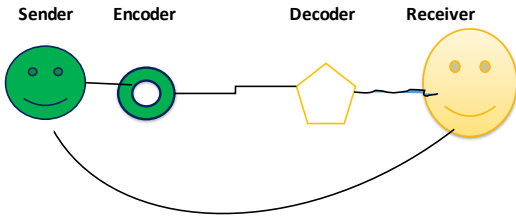
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### Model of Communication




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### “The Medium is the Message”...

Marshall McLuhan

- Snail Mail
- Direct Mail
- Phone
- Internet
- Campus Visits
- E-Mail
- Facebook
- Twitter
- Net Price Calculator
- Dynamic Award Letters

GPS all the above through automatic communications.

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### FSA’s Digital Media Co-Op

Borrower-Centric Digital Media Efforts at FSA:

- Social: 1) Facebook 2) Twitter 3) YouTube
- Native Advertising
- Mobile
- Gaming Sites
- Spotify
- Organic Content
- Blogs
- Are you reinventing the Wheel???

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### College “Culture Shock” & Veteran’s PTSD/I Awareness

- Introduced by 1954 by Kalvervo Oberg
- Normally a student blames his or her “financial aid” as the reason for leaving school.
- Difficulty in assimilating to new culture and environment
- Anxiety, disorientation, uncertainty, confusion
- Phases: Honeymoon Phase - Negotiation Phase - Adjust ment Phase (things become “normal”) - Reverse Culture Shock

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### “Best Years of Our Lives”



- A 1946 movie depicting the lives of three veterans returning home after WWII.
- Challenges to:
  - Employment
  - Marriage
  - Friendships
  - Readjustment

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### Veterans and Post Traumatic Stress Disorder/Injury (PTSD/I)

- Re-entry issues for veterans often result in alcohol abuse, drug abuse, family or marital problems or suicide.
- Symptoms of PTSD may include anger and irritability, “spacey stare,” short attention span, confusion, trouble sleeping, and “self-medicating”.
- What is your SAP policy regarding PTSD?

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### Veterans and Post Traumatic Stress Disorder/Injury (PTSD/I) continued...

- One in five veterans will experience re-entry issues or possibly PTSD/I
- Approximately 200,000 women served in Afghanistan and Iraq
- 23% to 33% of women veterans report experiencing “MST” of which 42% will acquire PTSD

Veteran’s Lounge at Cape Fear Community College




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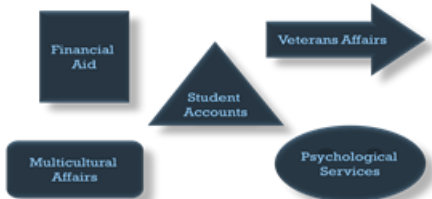
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### Internal Champions/Task Force Consider a “One Stop Shop”




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### Leveraging Technology and Partnerships for Better Customer Service

- Transfer work-load to where interpersonal skills are needed- outsource where it isn't needed
- Outsource rote tasks
- 24/7
- Institution can become bilingual
- Financial Education
- Mitigate budget cuts
- Go Green
- Use analytics as your GPS for default management

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