



PRESENTATION HANDOUT



# Financial Aid for Rookies

*Sylvia Ewell*

*Associate Vice President*

# The Current Student Expectations

- Students expect personalization and are unlikely to respond without it.
- This is the world Amazon, Netflix, and Starbucks have mastered.
- Cost/Financial Aid are still one of the top decision factors in a student's decision to enroll.

# Most important factors in a student's decision to attend a particular institution.



**69%**

Availability of my  
desired academic  
program



**61%**

Cost



**51%**

Financial aid  
or scholarships  
I was awarded

# Factors in the Decision to Enroll

## *Four-year Private Institutions*

Enrollment factors rated for four-year private institutions	Importance
Financial aid	84%
Cost	80%
Academic reputation	77%
Personalized attention prior to enrollment	64%
Campus appearance	60%
Size of institution	60%
Geographic setting	58%
Recommendations from family/friends	48%
Opportunity to play sports	38%

Percentages indicate the proportions of "important"/"very important" scores



# Factors in the Decision to Enroll

## *Four-year Public Institutions*

Enrollment factors rated for four-year public institutions	Importance
Cost	82%
Financial aid	82%
Academic reputation	75%
Geographic setting	64%
Campus appearance	60%
Personalized attention prior to enrollment	60%
Size of institution	57%
Recommendations from family/friends	50%
Opportunity to play sports	35%

Percentages indicate the proportions of "important"/"very important" scores



# Information Topics for Prospective Families

	Interest	Access
Academics (programs, majors, minors, etc.)	99%	91%
Admission requirements	98%	80%
The strength of the academic programs (ratings, rankings, etc.)	97%	87%
The cost (tuition, fees, room, board, etc.)	97%	81%
Housing	96%	80%
Safety precautions	95%	64%
Community life and activities	95%	42%
Application process and timeline	95%	64%
Financial aid and scholarships	94%	54%
The location (town, area, local spots, etc.)	94%	63%
Food services and dining	93%	74%
What makes the institution different	92%	84%
Account services and paying the tuition bill	91%	74%
Options to finance college education (financial aid, loans, etc.)	86%	74%
Diversity and other demographics	73%	50%
The 2022 athletic season	72%	91%



# What elements make up financial aid?



## Non-Need Based Aid -

- Merit Scholarships
- Talent Scholarships
- Unsubsidized Loans



## Need-Based Aid -

- Need-based Scholarships/Grants
- Subsidized/PLUS Loans
- Federal Work Study



## Gift Aid -

Funds you don't have to pay back.



## Self Help Aid -

Funds that are earned (work study) or have to be repaid (loans).



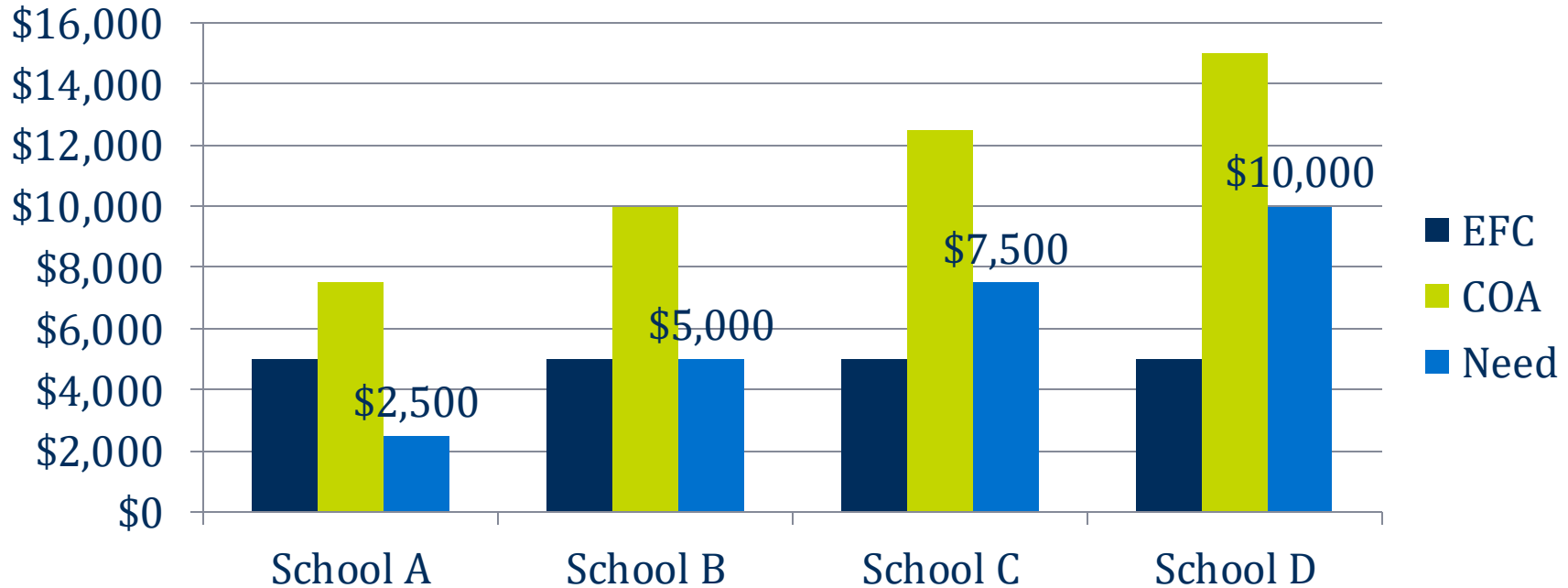
# Expected Family Contribution (EFC), Cost Of Attendance, and Financial Need

Parental  
Contribution  
+  
Student  
Contribution  
= **EFC**

- Tuition and fees
- Room and board
- Books, supplies, miscellaneous
- Travel and transportation
- Loan fees
- Study-abroad fees
- Etc.

Cost of Attendance (COA)  
- (*Minus*)  
Expected Family  
Contribution (EFC)  
= **Financial Need**

# EFC remains the same for all institutions, while need can increase with COA.



# Topics We'll Cover

1. Developing an Analytical Framework
2. Appropriate Market Segmentation
3. Developing a Scholarship Program
4. Measure Student Response
5. Minimize Stackable Awards
6. Understand the Impact of Non-financial Variables
7. Manage Results



Determine  
Awarding  
Strategy by  
Developing an  
Analytical  
Framework

# Your financial aid strategy should be constructed with clear goals in mind.



**Enroll the  
desired  
number of  
students with  
the desired  
characteristics**



**Understand  
and manage  
your  
discount rate  
and financial  
expenditures**



**Maximize net  
revenue and  
optimize yield**

# Which is *MOST* important to your institution?



Academic  
profile



Enrollment



Net revenue



Institutional  
gift aid



Discount  
rate

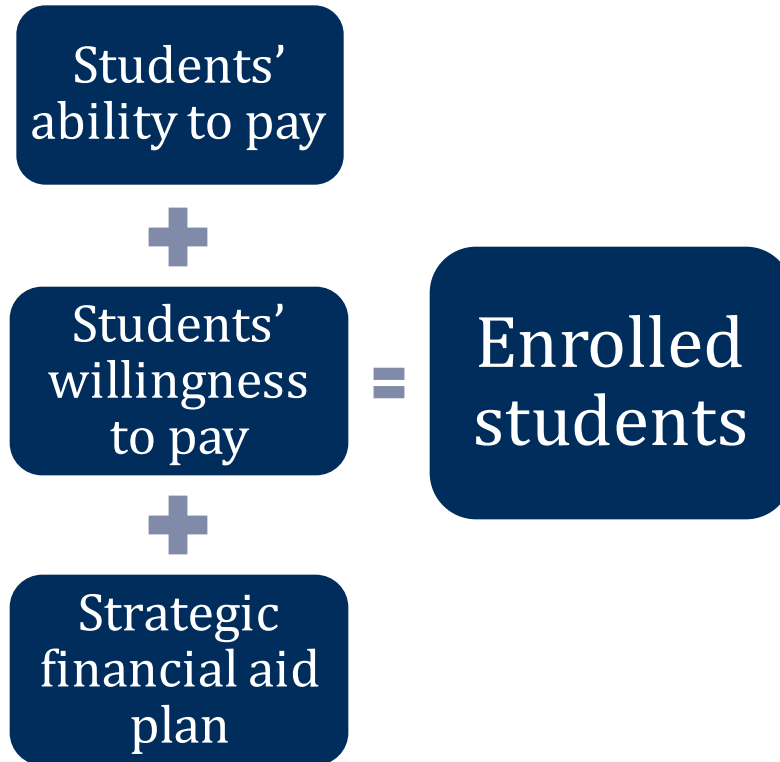
# Discount Rate and Net Revenue Calculations

$$\text{Tuition/fee discount rate} = \frac{\text{Funded and unfunded institutional gift aid}}{\text{Gross tuition/fees}} \quad \text{Net tuition/fee revenue}$$

$$\text{Overall unfunded discount rate} = \frac{\text{Unfunded institutional gift aid}}{\text{Gross revenue (including room and board)}} \quad \text{Overall net revenue}$$

# Important Considerations

*Three elements must be present for a student to enroll.*





# You should establish appropriate academic and financial boundaries to group students.



X-Axis: Group students who share similar academic characteristics.



Y-Axis: Use a financial measurement (need or EFC) to group students with similar financial criteria.

# The Strategic Financial Aid Matrix



# Three Key Metrics (Inside an Awarding Cell)

FC: \$0	P_GPA: 152 - 160.99	
	Enrolled	Non-enroll
	Cell 3	
Number admitted	160	
Number enrolled/not enrolled	49	111
Yield / Yield change from 2020	30.6%	-4.1%
Number offered aid	49	111
Average need	\$23,025	\$23,338
% of need met	77.8%	45.6%
% of need met with gift	62.5%	35.3%
Average award for those offered aid	\$17,921	\$10,643
Institutional gift	\$2,689	\$1,324
Total gift (excl. outside aid)	\$14,383	\$8,247
Total work and loan	\$3,539	\$2,396
Average net tuition revenue	\$5,964	\$7,815
Tuition & fee discount rate	31.1%	14.5%

Yield Rate by Cell

Percent of need met and % need met with gift aid

Yield by institutional gift  
Compare to total gift aid

# Your overall plan should consider...

## *State/Federal Aid Changes*





# Appropriate Market Segmentation

# Various factors can influence yield rates among segments of your admitted student population.



Geography



Student type (resident/commuter, athlete/fine art, etc.)

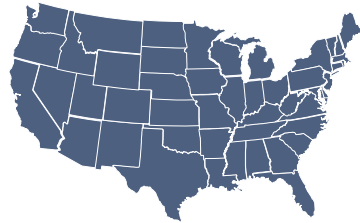


Majors or programs

# Identify subpopulations based on statistical analysis and your enrollment goals.



**IN-STATE**



**OUT-OF-STATE**



**ATHLETES**



**TRANSFERS**



**TOTAL ENROLLMENT**

Once segmentation is completed, you can then analyze various characteristics of each grouping. Which then can drive further financial and non-financial strategies.

Populations included in this Consolidation						
Population Name	Admission Goal	Enrollment Goal	Institutional Rating Goal	Average Inst. Gift/student	Avg. Net Revenue	Tuition Discount
First-Year Resident Students	2967	556	257.3	\$19,209	\$17,143	52.8%
First-Year Commuter Students	227	71	255.0	\$17,063	\$19,289	46.9%
Transfer Non-Nursing Students	148	74	3.2	\$14,672	\$21,680	40.4%
Transfer Nursing Students	63	9	3.3	\$14,479	\$21,873	39.8%





Develop a  
Scholarship  
Program That  
Drives Interest  
Without Breaking  
the Bank

# Understand what you spent, what you plan to spend, and the expected return.

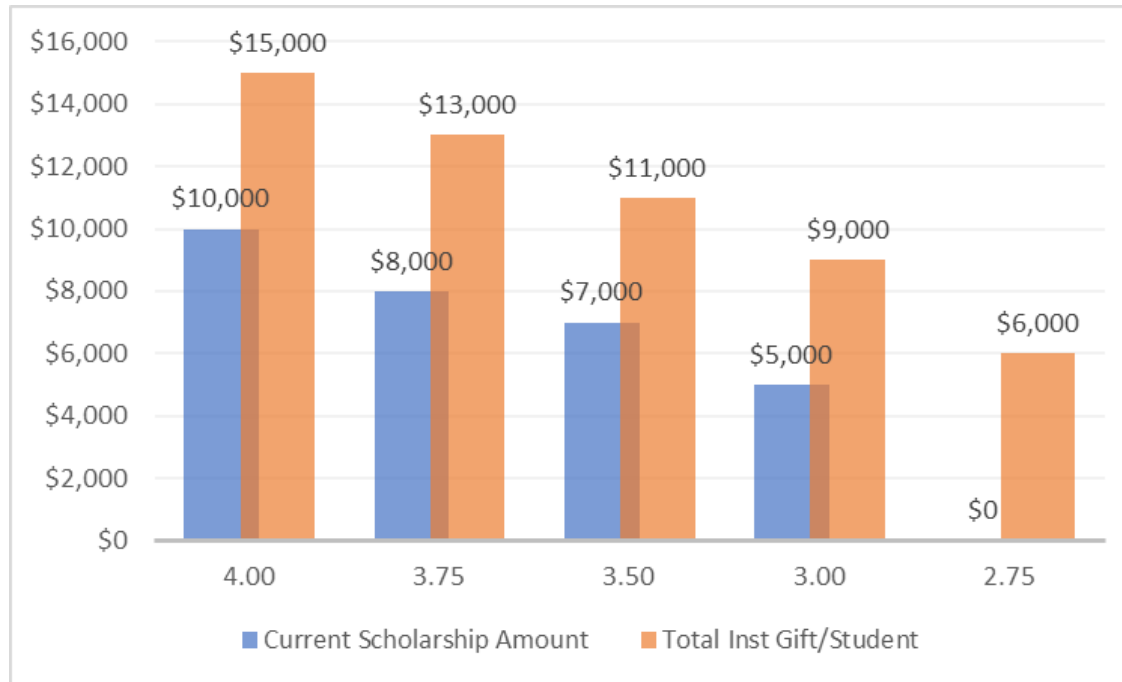
<b>RNL University</b>			
<b>2019-20 Annual Plan Summary - Total First-Year Students</b>			
<b>Enrollment &amp; Financial Impact of Changes</b>			
	2018-19	2019-20	
	Actual	Estimated	Change
Number of students admitted	942	942	0
Number of students enrolled	262	272	10
Yield	27.8%	28.9%	1.1%
<b>Institutional Revenue</b>			
Tuition revenue	\$5,836,312	\$6,240,768	\$404,456
Required fee revenue	\$0	\$0	\$0
Room/board revenue	\$1,719,000	\$1,830,852	\$111,852
Other charges revenue	\$0	\$0	\$0
Total revenue	\$7,555,312	\$8,071,620	\$516,308
Employee dependent waivers	\$48,141	\$49,585	\$1,444
<b>Institutional Aid by Type</b>			
Need-based gift	\$280,974	\$453,827	\$172,853
Merit-based gift	\$1,232,000	\$1,277,820	\$45,820
Premier Academic	\$0	\$0	\$0
Special Talent/other talent gift	\$382,587	\$393,575	\$10,988
Other institutional gift aid	\$107,160	\$110,545	\$3,385
Tuition exchange waivers	\$0	\$0	\$0
Total institutional gift aid <sup>3</sup>	\$2,002,721	\$2,235,767	\$233,046
Average institutional gift/student	\$7,644	\$8,220	\$576
Work-study	\$0	\$0	\$0
Loan	\$0	\$0	\$0
Total institutional aid	\$2,002,721	\$2,235,767	\$233,046
Net Tuition/Fee Revenue	\$3,833,591	\$4,005,001	\$171,410
From change in enrollment			\$146,320
From per-student net rev. change			\$25,089
Average Net Tuition/Fee Revenue	\$14,632	\$14,724	\$92
Tuition & fee discount rate	34.3%	35.8%	1.5%
<b>Revenue Minus Unfunded Gift Aid</b>			
Tuition <sup>1</sup>	\$3,864,450	\$4,034,416	\$169,966
Room/board	\$1,719,000	\$1,830,852	\$111,852
Overall (incl. fees)	\$5,583,450	\$5,865,268	\$281,818

<b>Assumptions for Direct Charges</b>			
Direct Charge Category	2018-19 Actual	2019-20 Estimated	Change
Tuition	\$22,276	\$22,944	3.0%
Required fees	\$0	\$0	0.0%
Room charge	\$4,780	\$4,923	3.0%
Board charge	\$4,220	\$4,347	3.0%
Other charges	\$0	\$0	0.0%
Total direct cost	\$31,276	\$32,214	3.0%
Non-revenue cost-of-attendance change			\$0
Assumed number in residence halls - Fall 2019-20			198



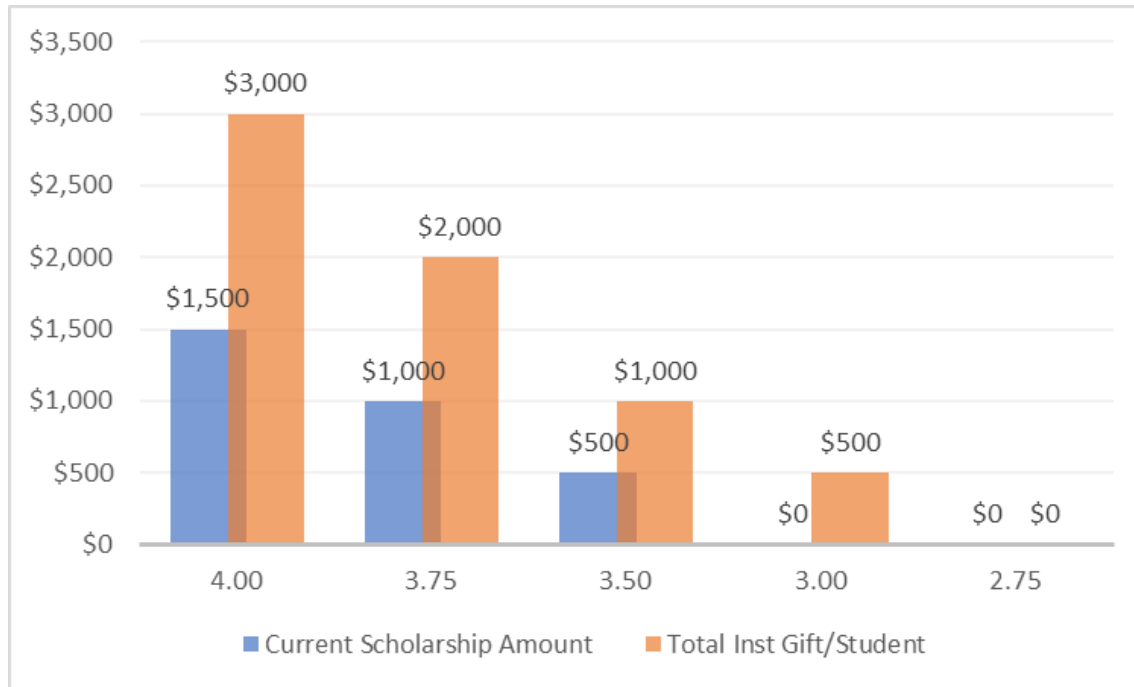
# Know what you're spending per level and how much could be offered earlier to drive interest.

## *Private Institution Example*



# Know what you're spending per level and how much could be offered earlier to drive interest.

## *Public Institution Example*



A person wearing a blue button-down shirt is shown from the chest down. They are holding a smartphone in their right hand and have their left hand near a laptop keyboard. The entire image is overlaid with a semi-transparent blue filter. The text 'Keep it Simple' is written in white in the center, and a smaller version of the same text is in the top right corner.

Keep it Simple

Keep it Simple

- Scholarship information should be accessible right away
- Net Price Calculator is a great place to direct families
- Questions should be kept to a minimum
- It's a great first step to lowering financial aid anxiety



*The class you want.  
The alumni you need.  
See what we do.*

## Welcome!

Our Net Price Calculator is part of a carefully designed program that can help guide a prospective student through estimating their financial aid options.

The average time to complete a full estimate is between 3-5 minutes. Please have a close estimate of your family's income and assets in order to ensure an accurate estimate of your cost of attendance.

If you have any questions, please [contact us](#).

The RNL TrueCost Calculator is designed not only to provide an accurate award estimate, but to also provide design and messaging opportunities at every step to positively impact your prospective student's enrollment decision.

**Let's Get Started**

While every effort is made to ensure the accuracy of the RNL University Financial Aid Calculator, please keep in mind that this estimate does not represent a final determination, or actual award, of financial assistance. It shall not be binding on the Secretary of Education, RNL University, or the State, and may change. You must complete the [Free Application for Federal Student Aid](#) in order to be eligible for, and receive, an actual financial aid award that includes Federal grant, loan, or work-study assistance under Title IV. 96% of our full-time, first-year undergraduate students received assistance through scholarships and grants in the current academic year.



Enrollment  
Student Success  
Fundraising  
Consulting  
Resources  
About RNL

Corporate HQ  
1025 Kirkwood Parkway SW  
Cedar Rapids, IA 52404  
Phone: 319.362.7483  
Toll-Free: 800.876.1117

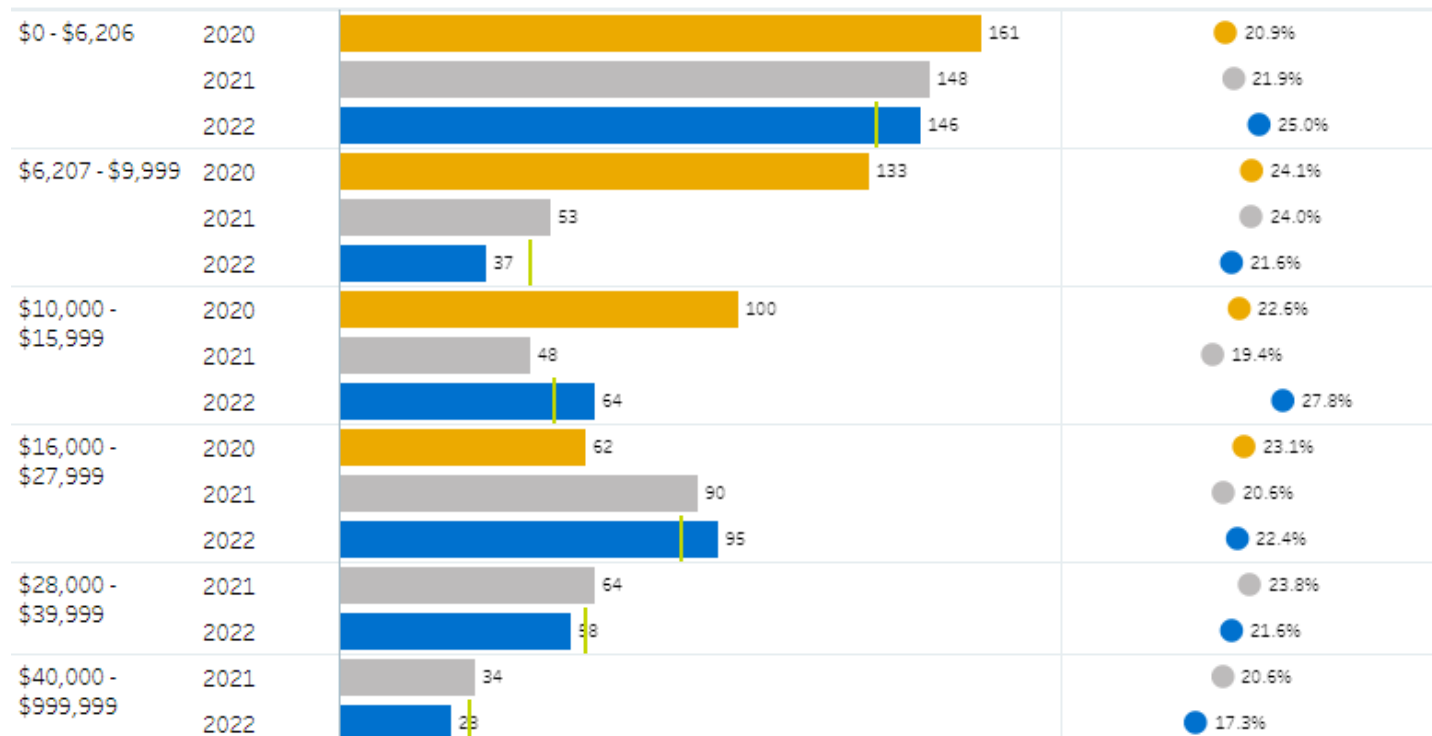




# Measuring Student Response to Your Net Price Offer

# Measure Price Sensitivity Based on Yield of Need-Based Students

NET CONFIRMED NEED DISTRIBUTION SUMMARY





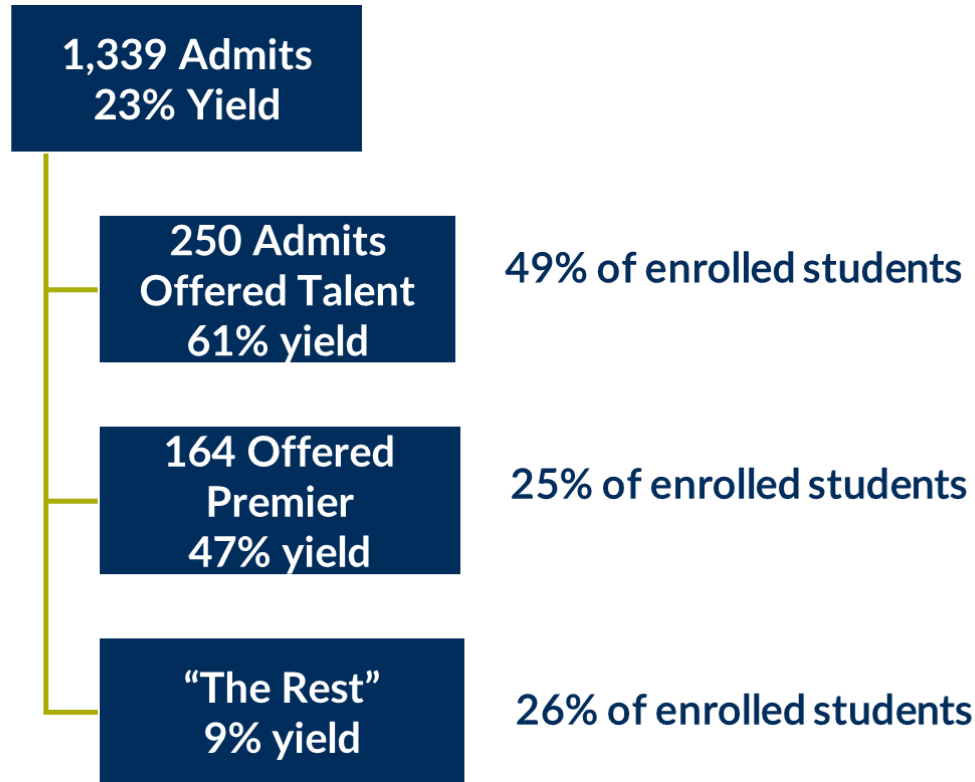
# Measure Price Sensitivity Based on Merit Aid Only

EFC/NEED TIERS		Level 1 Inst_Rat: 268.000 - 300.000			Level 2 Inst_Rat: 258.000 - 267.999			Level 3 Inst_Rat: 245.000 - 257.999			Level 4 Inst_Rat: 235.000 - 244.999			Level 5 Inst_Rat: 0.000 - 234.999			Total		
		Previous Year	Current Year	Goal	Previous Year	Current Year	Goal	Previous Year	Current Year	Goal	Previous Year	Current Year	Goal	Previous Year	Current Year	Goal	Previous Year	Current Year	Goal
No-need/merit Total	ADMITTED	232	304	230	278	265	274	330	314	326	161	132	155	51	57	48	1,052	1,072	1,033
	NET CONFIRMED	28	32	30	27	35	26	37	45	35	14	19	9	7	8	5	113	139	105
	PENDING	142	214		185	201		229	224		121	103		35	47		712	789	
	YIELD RATE	12.1%	10.5%	13.0%	9.7%	13.2%	9.5%	11.2%	14.3%	10.7%	8.7%	14.4%	5.8%	13.7%	14.0%	10.4%	10.7%	13.0%	10.2%
	MELT	0	3		0	0		2	1		1	1		0	0		3	5	
	MELT RATE	0.0%	8.6%		0.0%	0.0%		5.1%	2.2%		6.7%	5.0%		0.0%	0.0%		2.6%	3.5%	
No-need/merit FAFSA	ADMITTED	111	128	111	108	101	108	119	97	123	37	38	37	14	14	14	389	378	393
	NET CONFIRMED	26	26	28	23	27	22	29	32	30	7	13	6	4	3	4	89	101	90
	PENDING	58	71		59	58		62	41		17	19		5	10		201	199	
	YIELD RATE	23.4%	20.3%	25.2%	21.3%	26.7%	20.4%	24.4%	33.0%	24.4%	18.9%	34.2%	16.2%	28.6%	21.4%	28.6%	22.9%	26.7%	22.9%
	MELT	0	3		0	0		1	0		0	1		0	0		1	4	
	MELT RATE	0.0%	10.3%		0.0%	0.0%		3.3%	0.0%		0.0%	7.1%		0.0%	0.0%		1.1%	3.8%	
No-need/merit No FAFSA	ADMITTED	120	176	118	167	164	163	207	217	199	121	94	115	36	43	33	651	694	628
	NET CONFIRMED	2	6	2	4	8	4	8	13	5	7	6	3	3	5	1	24	38	15
	PENDING	83	143		124	143		166	183		101	84		29	37		503	590	
	YIELD RATE	1.7%	3.4%	1.7%	2.4%	4.9%	2.5%	3.9%	6.0%	2.5%	5.8%	6.4%	2.6%	8.3%	11.6%	3.0%	3.7%	5.5%	2.4%
	MELT	0	0		0	0		1	1		1	0		0	0		2	1	
	MELT RATE	0.0%	0.0%		0.0%	0.0%		11.1%	7.1%		12.5%	0.0%		0.0%	0.0%		7.7%	2.6%	



Minimize Stacks  
and Add-on  
Awards

# When you analyze the students who receive stacks and add-on vs. those who don't, its clear to see....




# Minimize stacks and add-on awards to ensure the most competitive aid strategy and maximize net revenue.

- Stacking of awards tends to benefit students already more interested.
- It forces a campus to build an aid strategy to *account* for students that will enroll at high rates rather than one that could *attract and influence* students potentially on the fence.

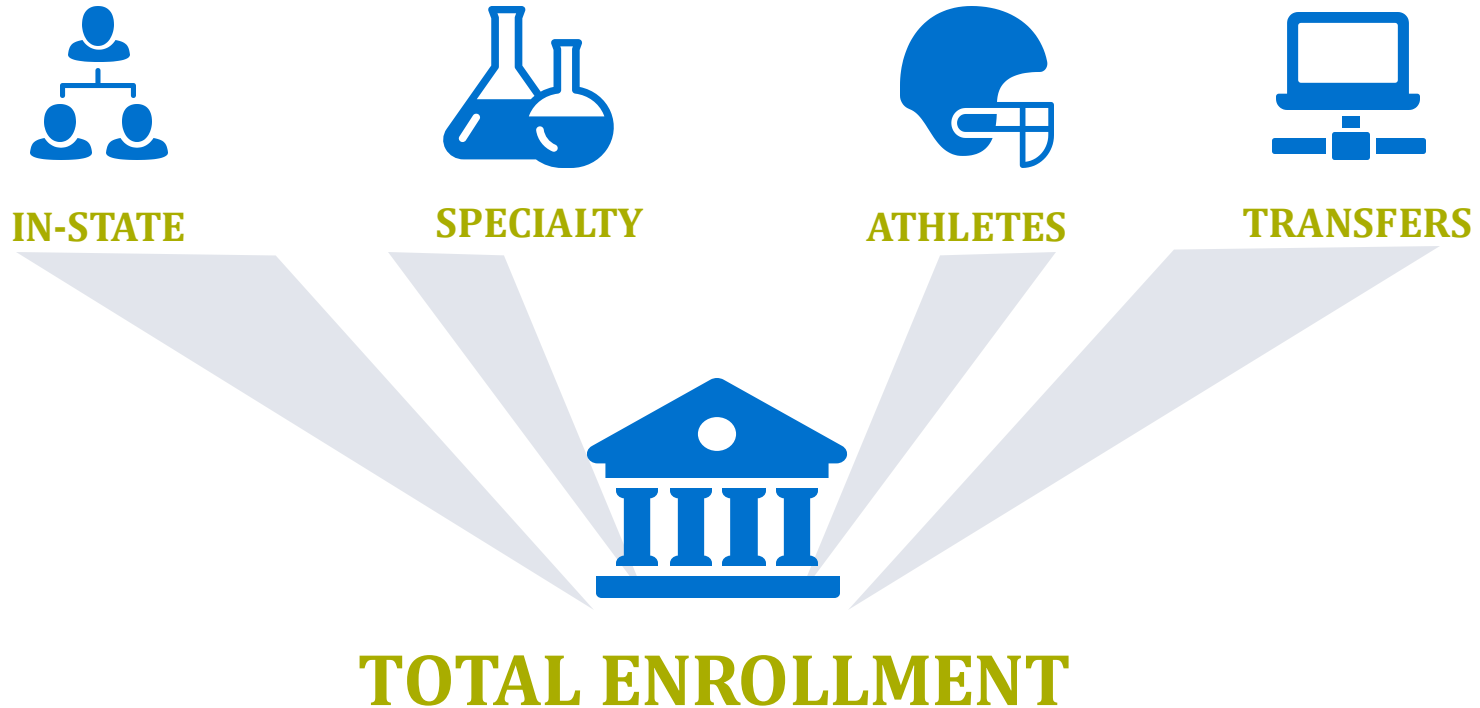


# Understand Non- Financial Variables



How do your  
campus visitors yield  
and what percent of  
your admit pool visits  
campus?

# Do some programs have greater demand than others?



# It's important to emphasize credentials, outcomes, and return on investment.



95% of RNLU faculty have PhDs or terminal degrees.



90% of RNLU graduates are employed or in graduate school within 6 months.



Average starting salary for education major is \$35,000.



# Understand Non-Financial Variables



Other factors (besides financial aid) can affect a student's ability to enroll.



What do you know about your campus visit program?



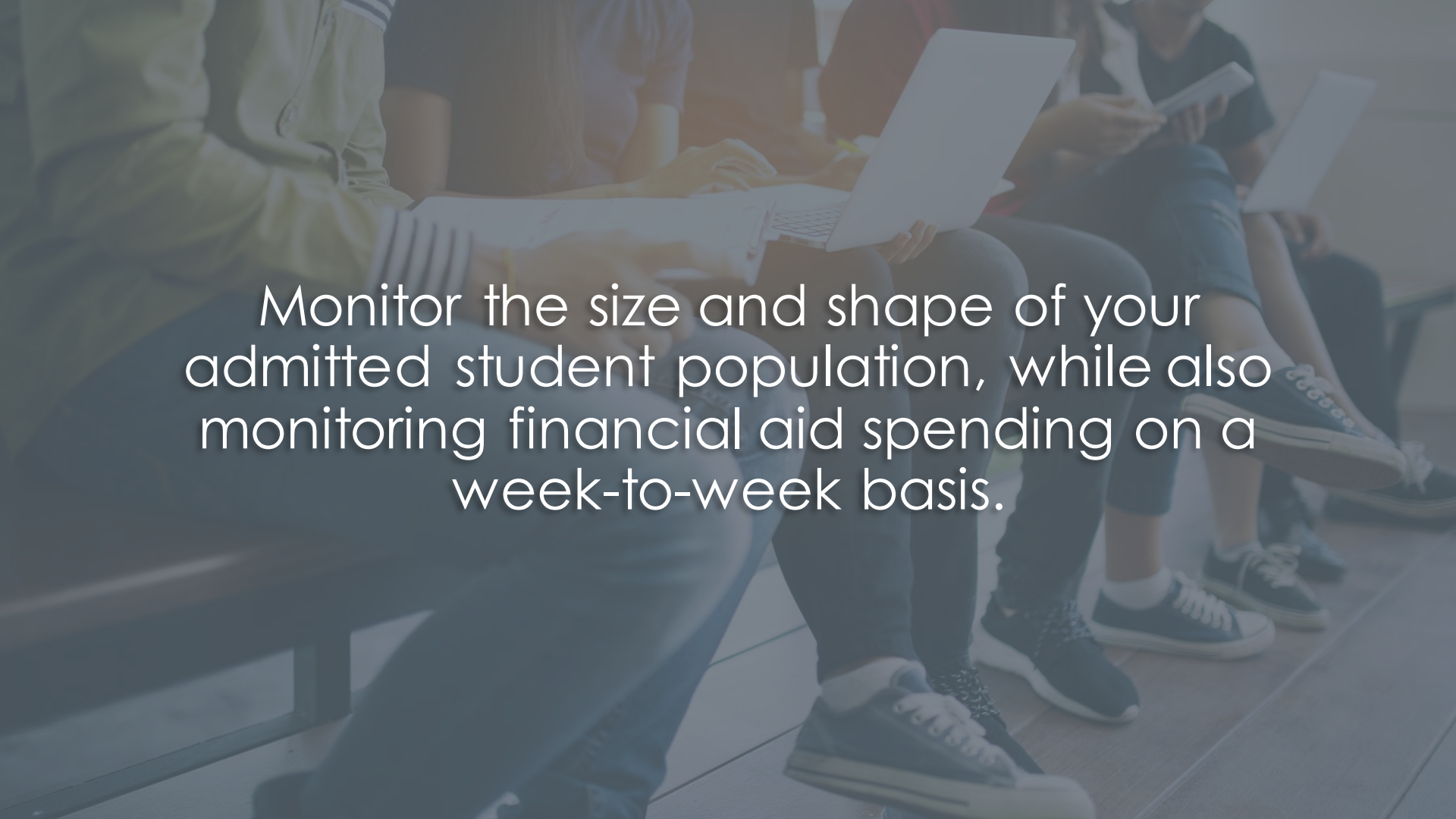
What does the campus tour look like through the eyes of a prospective student?



Do you have any strong programs with which you might be able to generate additional aid by differentially pricing?

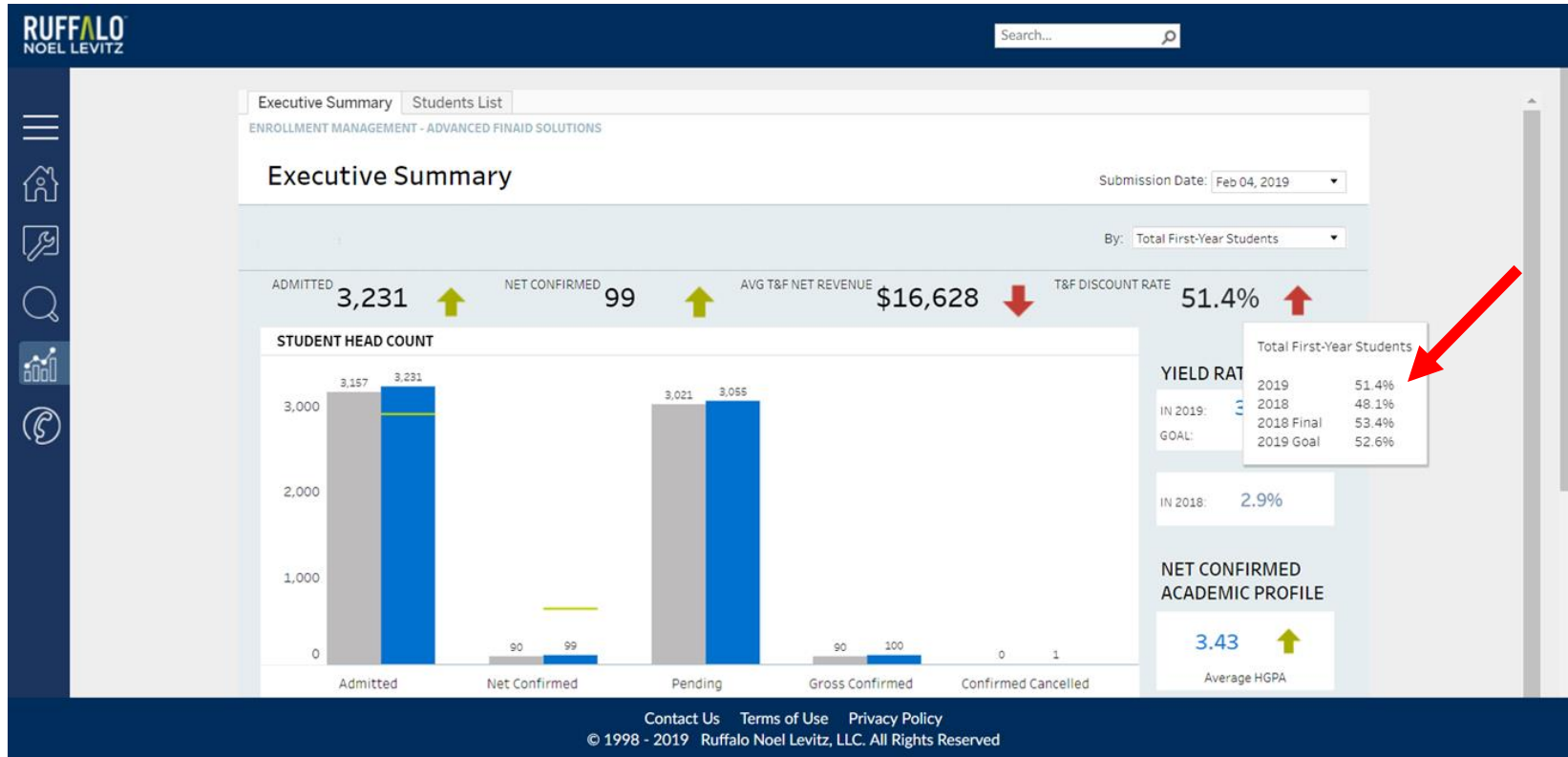


Manage Results  
Through Regular  
Reporting

A group of students is sitting on bleachers in a gymnasium or school setting. They are holding laptops and papers, suggesting a class or study session. The image is overlaid with a semi-transparent blue filter. The text is centered over the image.

Monitor the size and shape of your admitted student population, while also monitoring financial aid spending on a week-to-week basis.

# Tracking Progress is Critical



# Goals Summary

Submission Date: Jun 20, 2019

View: Total First-Year Students

By: Total

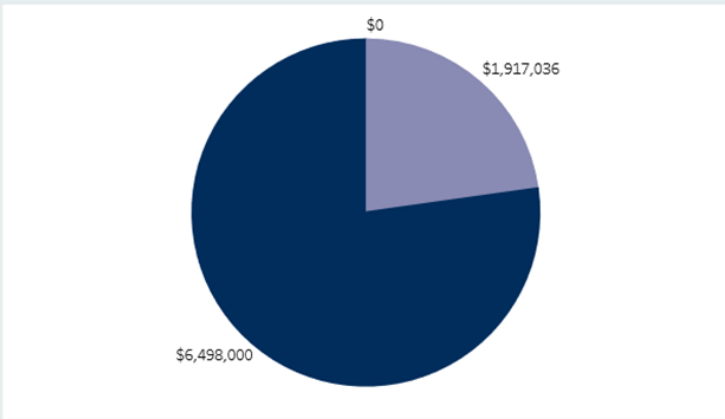
## STUDENT COUNTS

**1,067**  
Admitted

**285**  
Net Confirmed

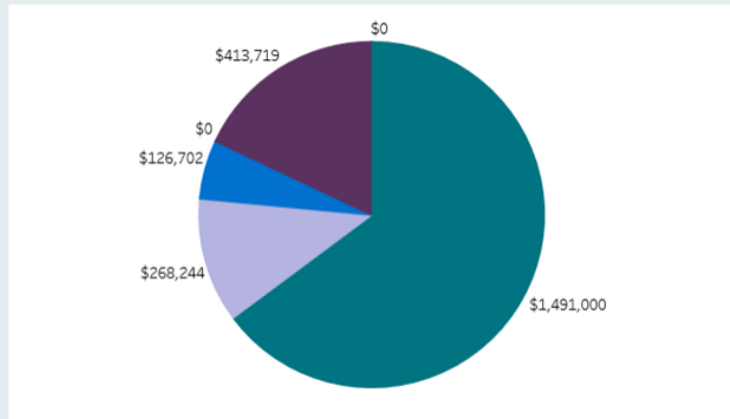
**26.7%**  
Yield

## GROSS REVENUE



Other Charges Revenue    Room/Board Revenue  
Total Fees Revenue    Tuition Revenue

## INSTITUTIONAL AID



Merit-based Gift    Premier Academic  
Need-based Gift    Talent-based Gift  
Other Gift    Tuition Exchange Waivers  
Loan    Work Study



# Understand How Your Awarding Policies May be Affecting Retention and That Aid Policies May Not Always be the Culprit.

Fall-to-Fall Retention										
	Rating: 85 & Above		Rating: 72 - 84.99		Rating: 60 - 71.99		Rating: 59.99 & Below		Totals	
	Retained	Not retained	Retained	Not retained	Retained	Not retained	Retained	Not retained	Retained	Not retained
<b>FC: \$0</b>	<b>Cell 1</b>		<b>Cell 2</b>		<b>Cell 3</b>		<b>Cell 4</b>			
Number enrolled	0		11		35		10		56	
Number retained/not retained	0	0	7	4	19	16	6	4	32	24
Retention rate	0.0%		63.6%		54.3%		60.0%		57.1%	
Number offered aid	0	0	7	4	19	16	6	4	32	24
Average need	\$0	\$0	\$32,250	\$32,250	\$32,250	\$32,250	\$32,250	\$32,250	\$32,250	\$32,250
% of need met	0.0%	0.0%	67.6%	58.0%	61.4%	58.5%	61.7%	52.0%	62.8%	57.4%
% of need met with gift	0.0%	0.0%	53.9%	46.0%	44.6%	43.0%	44.4%	37.3%	46.6%	42.6%
Average award for those offered aid	\$0	\$0	\$21,799	\$18,720	\$19,816	\$18,875	\$19,894	\$16,773	\$20,264	\$18,499
Total gift (incl. outside gift aid)	\$0	\$0	\$17,370	\$14,845	\$14,395	\$13,875	\$14,317	\$12,023	\$15,031	\$13,728
Total work and loan	\$0	\$0	\$4,429	\$3,875	\$5,421	\$5,000	\$5,577	\$4,750	\$5,233	\$4,771
Average net tuition revenue	\$0	\$0	\$11,603	\$16,079	\$16,197	\$16,197	\$16,197	\$16,197	\$16,197	\$16,197
Tuition & fee discount rate	0.0%	0.0%	42.7%	20.6%	20.0%	15.0%	20.0%	23.3%	32.3%	34.0%
<b>FC: \$1 - \$5,900</b>	<b>Cell 6</b>		<b>Cell 7</b>		<b>Cell 8</b>					
Number enrolled	9		20		23					
Number retained/not retained	8	1	15	5	14					
Retention rate	88.9%		75.0%		60.9%					
Number offered aid	8	1	15	5	14					
Average need	\$29,067	\$26,832	\$28,887	\$29,646	\$30,886	\$29,646	\$29,646	\$29,646	\$29,646	\$29,646
% of need met	77.8%	73.0%	62.4%	61.9%	61.5%	60.9%	60.9%	60.9%	60.9%	60.9%
% of need met with gift	59.4%	50.6%	45.4%	46.3%	43.2%	44.4%	44.4%	44.4%	44.4%	44.4%
Average award for those offered aid	\$22,628	\$19,584	\$18,021	\$18,363	\$18,994	\$18,363	\$18,363	\$18,363	\$18,363	\$18,363
Total gift (incl. outside gift aid)	\$17,253	\$13,584	\$13,121	\$13,713	\$13,352	\$13,713	\$13,713	\$13,713	\$13,713	\$13,713
Total work and loan	\$5,375	\$6,000	\$4,900	\$4,650	\$5,643	\$4,650	\$4,650	\$4,650	\$4,650	\$4,650
Average net tuition revenue	\$8,873	\$12,250	\$13,526	\$14,078	\$14,867	\$12,133	\$16,204	\$15,541	\$13,703	\$13,369
Tuition & fee discount rate	56.2%	39.5%	33.2%	30.5%	26.6%	40.1%	20.0%	23.3%	32.3%	34.0%

The earned college GPA of returners was 3.03 vs. 2.49 for non-returners. Both groups entered with an average HSPA of 3.0





Assess your students' interest in your institution  
and their reaction to your award.

# Combining Award reaction and level of interest into a functional and trackable system.

## *Accepted Student Qualifying Scale*

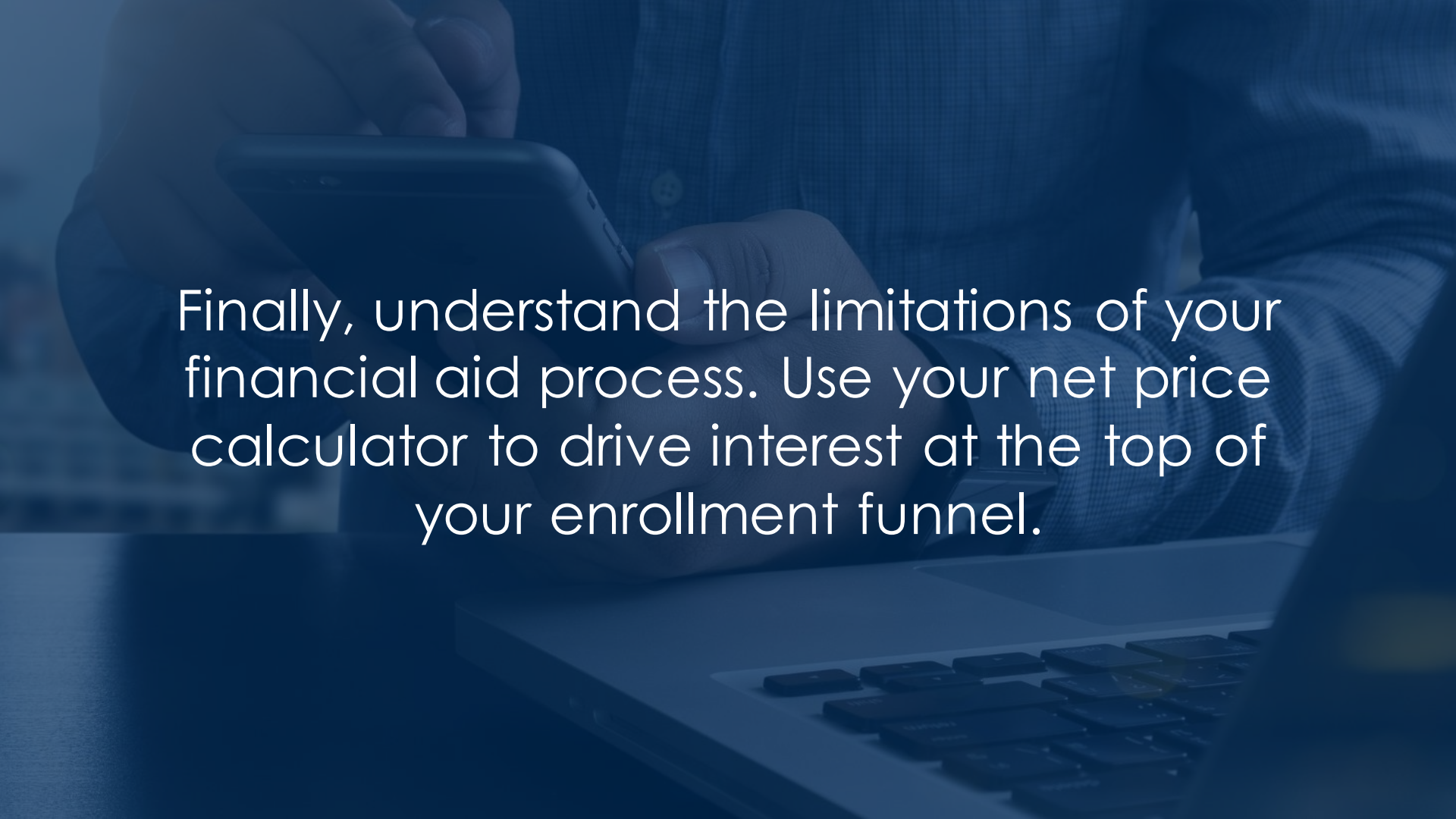
Code	Description
1	I plan to enroll at (home) college/university
2	I plan to enroll at (home) college/university pending financial aid
3	I am considering (home) college/university along with 2-3 others
4	I am considering (home) college/university along with 4+ others
5	I do not plan to enroll at (home) college/university

## *Financial Aid Award Reaction Scale*

Code	Description
A	Award exceeds expectations
B	Award meets expectations
C	Neutral or non-committal
D	Award does not meet expectations
E	Appeal, student has requested a review of his/her aid





A person wearing a blue button-down shirt is shown from the chest down. They are holding a smartphone in their right hand and have their left hand near a laptop keyboard. The entire image is overlaid with a semi-transparent blue filter. Centered on the image is white text.

Finally, understand the limitations of your financial aid process. Use your net price calculator to drive interest at the top of your enrollment funnel.

A group of three students are gathered around a desk, looking at a laptop screen. One student is pointing at the screen, another is smiling, and a third is leaning in. The scene is dimly lit with a blue overlay. The text "Evaluate your financial aid process to eliminate potential barriers." is centered over the image.

Evaluate your financial aid process  
to eliminate potential barriers.

# An Effective Financial Aid Strategy



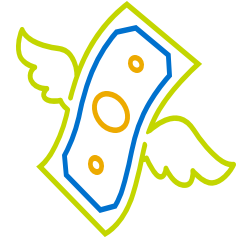
**Makes the  
College  
Affordable**



**Contributes  
Directly to  
Institutional  
Goals**



**Optimizes  
Distribution of  
Aid to Serve  
More  
Students**



**Maximizes  
net revenue**



The image shows a large, empty lecture hall or auditorium. The seats are arranged in rows, with a central aisle leading towards a stage area at the top of the frame. The seats are dark-colored, and the floor is a light, speckled material. A prominent blue horizontal band is overlaid across the middle of the image, containing the word "Questions?" in white, bold, sans-serif font.

Questions?

# Thank you for your time today!

*Sylvia Ewell, Associate Vice President*

Sylvia.Ewell@RuffaloNL.com