



# Financial Aid for Rookies

**Sylvia C. Ewell**

*Vice President, Consulting Services*

# Factors to Become Interested in an Institution

On average, 11<sup>th</sup> graders are interested in



5 colleges or universities

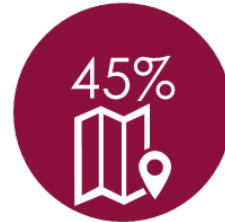
Availability of major or program of study



Cost (affordable)



Like the location



Believe would be accepted



Good reputation



Liked communications sent



Felt welcome when visited



High school counselor recommended it



Information shared at a college fair



Friend's recommendation



On average  
students applied  
to **six** institutions

## Factors to apply to an institution

1 It is affordable

2 Availability of major or program  
of study

3 Like the location

4 Believe would be accepted

5 Good reputation

6 Liked the communications

7 Attended a college fair and thought  
this college might be a good fit

8 Felt welcome when visited

9 Parents' recommendation

10 School counselor's  
recommendation

# Most important factors in the students' decision to attend a particular institution.



**62%**

Availability of desired academic program



**55%**

Cost



**46%**

Overall atmosphere



**46%**

Financial aid or scholarships offer



**35%**

Location

## FIRST GENERATION

- Cost
- Availability of desired academic program
- Financial aid or scholarships offer
- Overall atmosphere
- Career

## CONTINUING GENERATION

- Availability of desired academic program
- Cost
- Overall atmosphere
- Financial aid or scholarships offer
- Location

## FAMILY INVOLVED

- Availability of desired academic program
- Overall atmosphere
- Cost
- Financial aid or scholarships offer
- Location

## FAMILY NOT INVOLVED

- Cost
- Availability of desired academic program
- Financial aid or scholarships offer
- Overall atmosphere
- Location

# Topics We'll Cover

1. Financial Aid Basics
2. Developing an analytical framework
3. Developing a scholarship program
4. Measure student response
5. Understand the impact of non-financial variables
6. Track Results
7. Fall 2024 Items for Consideration



# Financial Aid Basics

# What elements make up financial aid?



## Non-Need Based aid

- Merit Scholarships
- Talent Scholarships
- Unsubsidized loans



## Need-Based Aid

- Federal, State and Institutional 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



Room and board  
Books and supplies  
miscellaneous  
Travel and transportation  
Loan fees  
Study-abroad fees

Cost of attendance (COA)  
Expected family contribution (EFC)  
Financial need



# Consolidated Appropriations Act 2021

# 3



Changes to  
determine aid  
eligibility

FAFSA simplification

Student Aid Index

Pell calculation

# FAFSA Simplification

*Making it easier to apply for aid.*

Full implementation for 2024-2025 award year

Phased implementation started October 2021.

Reduce the FAFSA questions from 108 to 33

Data automatically transferred from IRS

# How will student eligibility change?

*Shifting our thinking.*



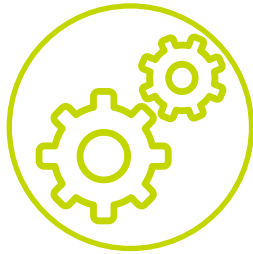
- No more “expected family contribution”.
- **Student Aid Index** - To be used by financial aid administrators to calculate financial aid.
- Determination of Pell grant eligibility will change.
  - Not tied to SAI.

# Re-thinking Need

## *Student Aid Index*



**EFC now Student Aid Index.**



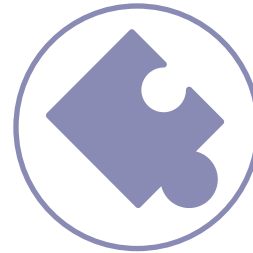
**The SAI will be used to calculate need.**



**A negative SAI will identify the neediest students.**

The negative SAI establishes a framework to allow the very neediest students to be identified.

It is the new zero.



**Similar to current need-analysis formula.**



**Used to calculate eligibility for campus-based and institutional funds.**



**Need calculation similar:**

$$\text{COA} - \text{SAI} - \text{OFA} = \text{Need}$$

# Re-thinking Need

## Pell



Students can preview Pell eligibility using AGI and household size.



Award amount reported on Student Aid Report.



Maximum and minimum Pell will be based on Pell calculation. Pell Grant awards in the middle ranges of eligibility would be determined by subtracting the SAI from the maximum Pell Grant amount.



Can be easily estimated prior to filing a FAFSA.



Calculation based on tax filing status, number of parents in household, and income.



Develop 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 measuring stick is MOST important to your institution?

- Academic profile
- Enrollment
- Net revenue
- Institutional gift aid
- Discount rate



# Discount Rate and Net Revenue Calculations

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

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

# 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 SAI) to group students with similar financial criteria

# The Strategic Financial Aid Matrix



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

*Create meaningful student population segments.*



Geography



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



Majors or programs

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

Population Name	Populations included in this Consolidation					
	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%

# Three Key Metrics (Inside an Awarding Cell)

	P_GPA: 152 - 160.99	
	Enrolled	Non-enroll
FC: \$0	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*



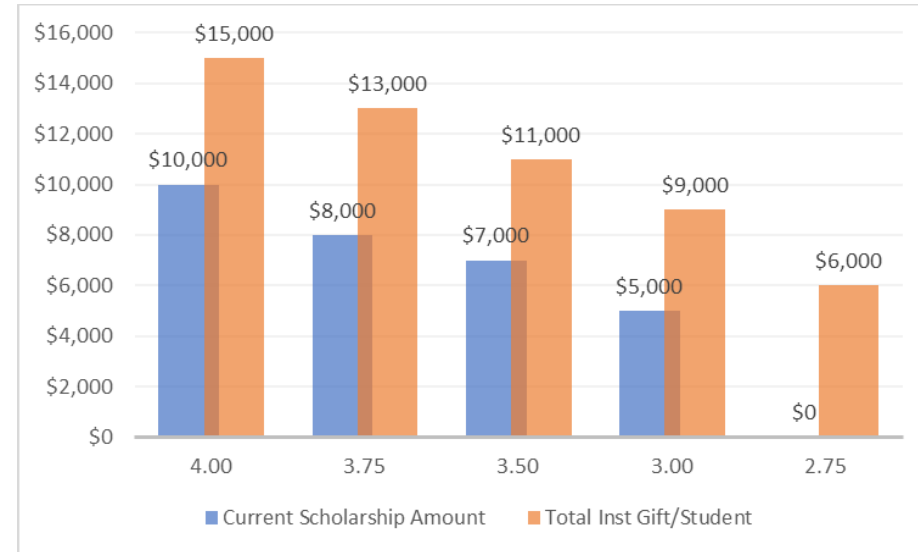
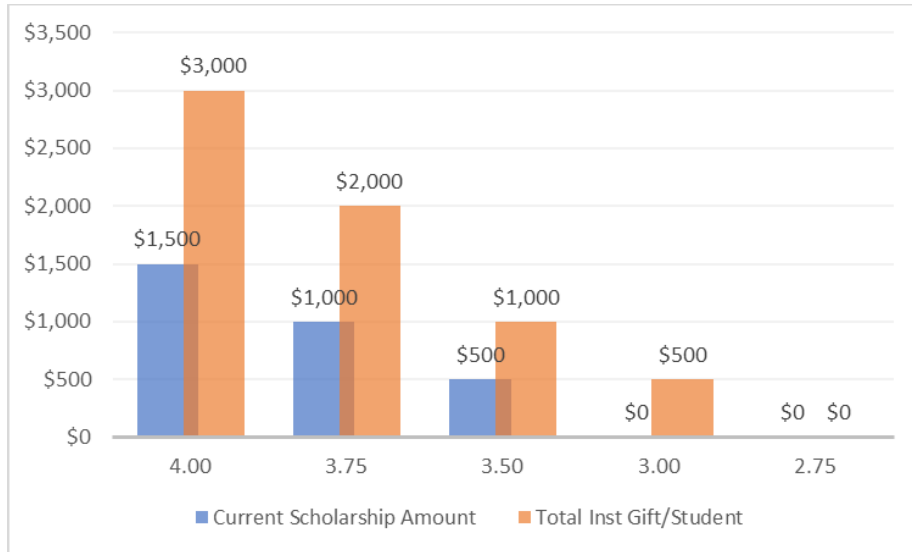


Develop a  
Scholarship  
Program That  
Drives Interest  
Without Breaking  
the Bank



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

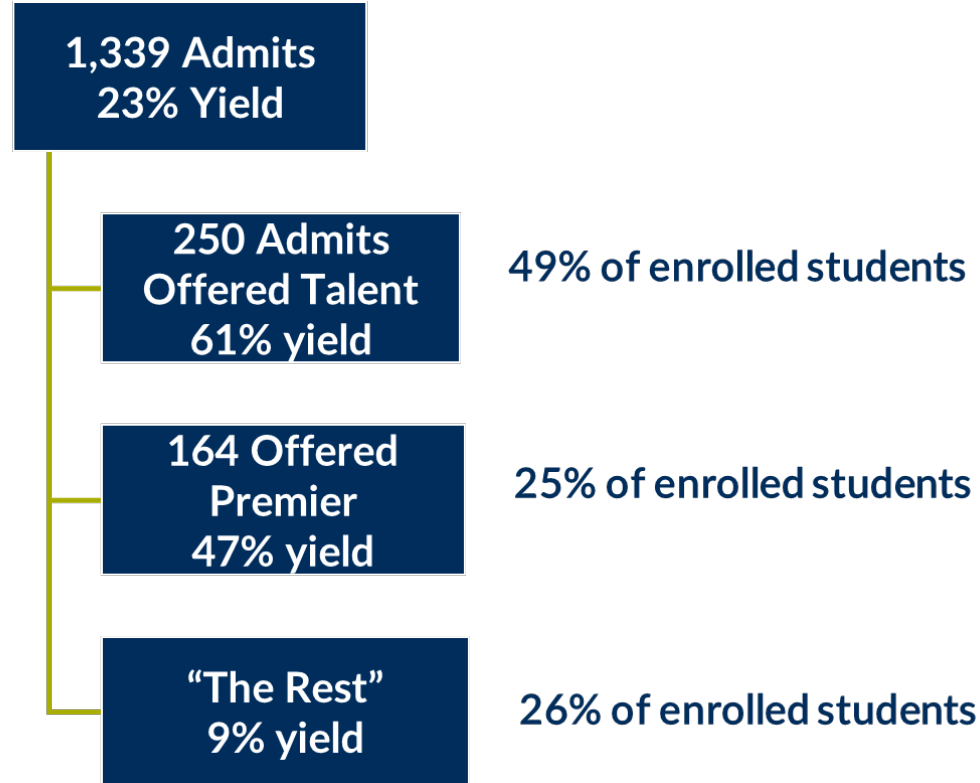
*Based on what you're spending per level, how much could be offered earlier to drive interest?*



# Minimize stacked 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 (i.e.. Athletes, Legacy, Honors, etc.).
- 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.

# When you analyze the students who receive stacked/add-on awards vs. those who don't, it's clear to see....



# Scholarship Transparency

- Keep it Simple
- Scholarship information should be accessible right away
- Net Price Calculator or Early Estimator 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



Answer the questions below to help determine your annual cost of attending RNL University - Salesforce Only

## Welcome!

The Net Price Calculator is designed to help you estimate your financial aid options for RNL University. Please be sure to complete the entire process to ensure the best possible results.

If you have any questions, please contact us.

[Let's Get Started](#)

While every effort is made to ensure the accuracy of the Net Price 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.

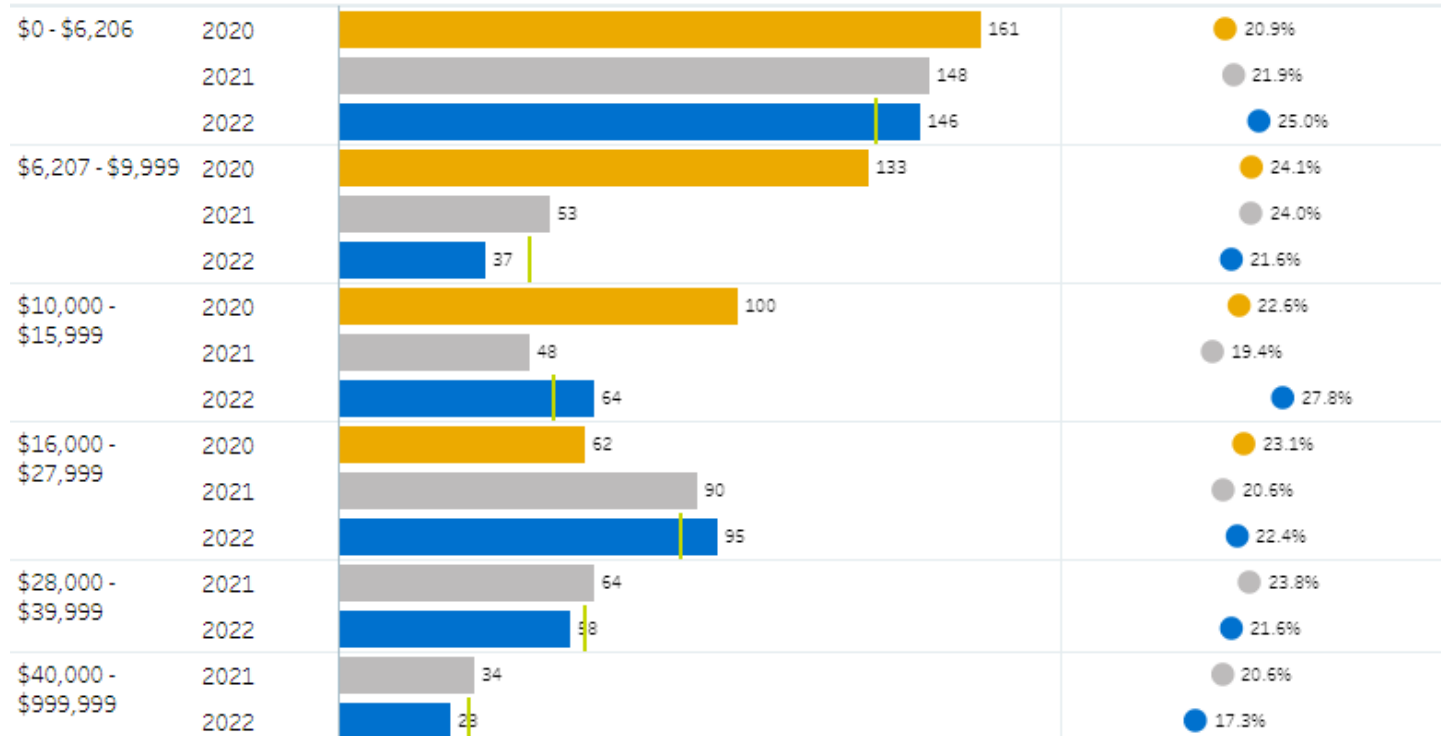
XX% of our full-time, first-year undergraduate students received assistance through scholarships and grants in the current academic year.



# 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

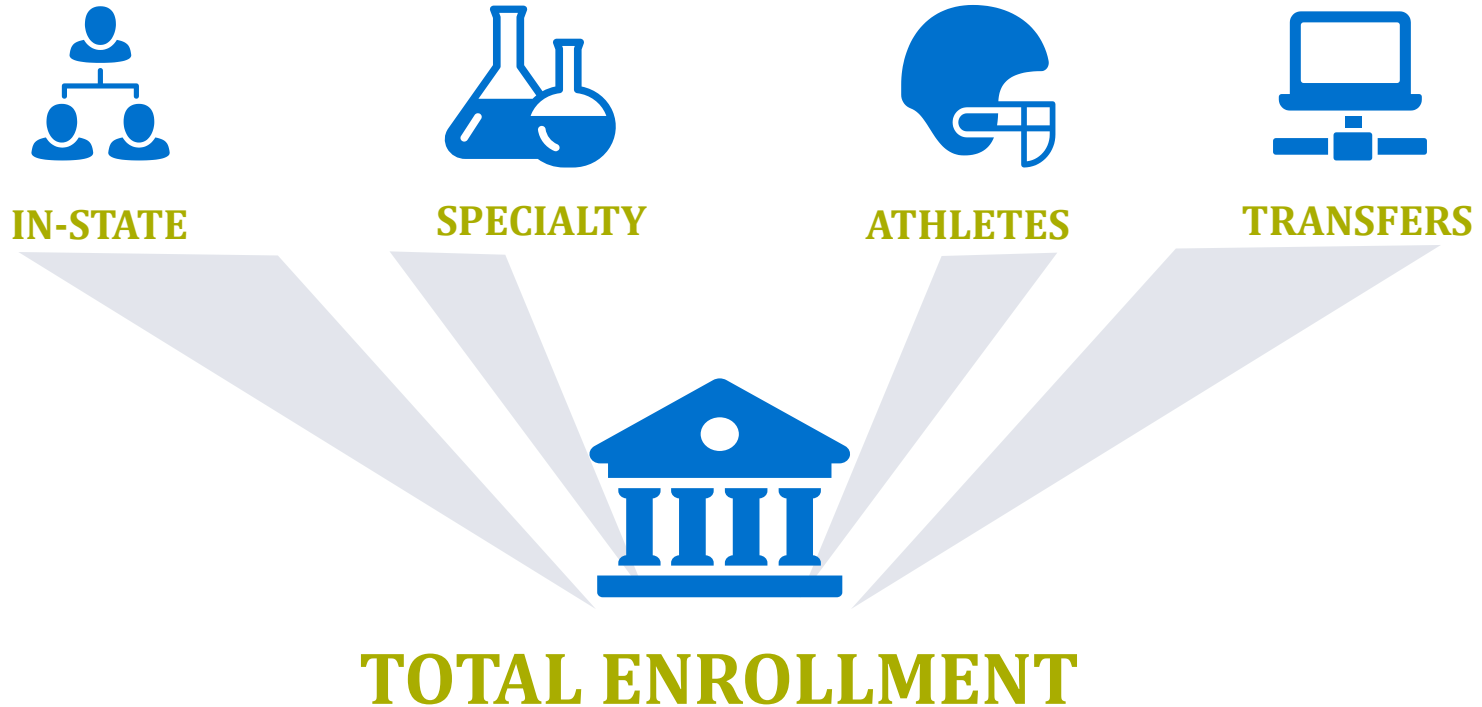
EFC/NEED TIERS		Level 1 Inst_Rat: 268.000 - 300.000			Level 2 Inst_Rat: 258.000 - 267.999			Level 3 Inst_Rat: 245.000 - 257.999			Level 4 Inst_Rat: 235.000 - 244.999			Level 5 Inst_Rat: 0.000 - 234.999			Total		
		Previous Year	Current Year	Goal	Previous Year	Current Year	Goal	Previous Year	Current Year	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%	



Understand Non-  
financial  
Variables



# Do some programs have greater demand than others?



# 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 high demand/strong programs with which you might be able to generate additional aid by differentially pricing?
- What is the value messaging that we're communicating?

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



95% of RNLU faculty have PhDs or terminal degrees



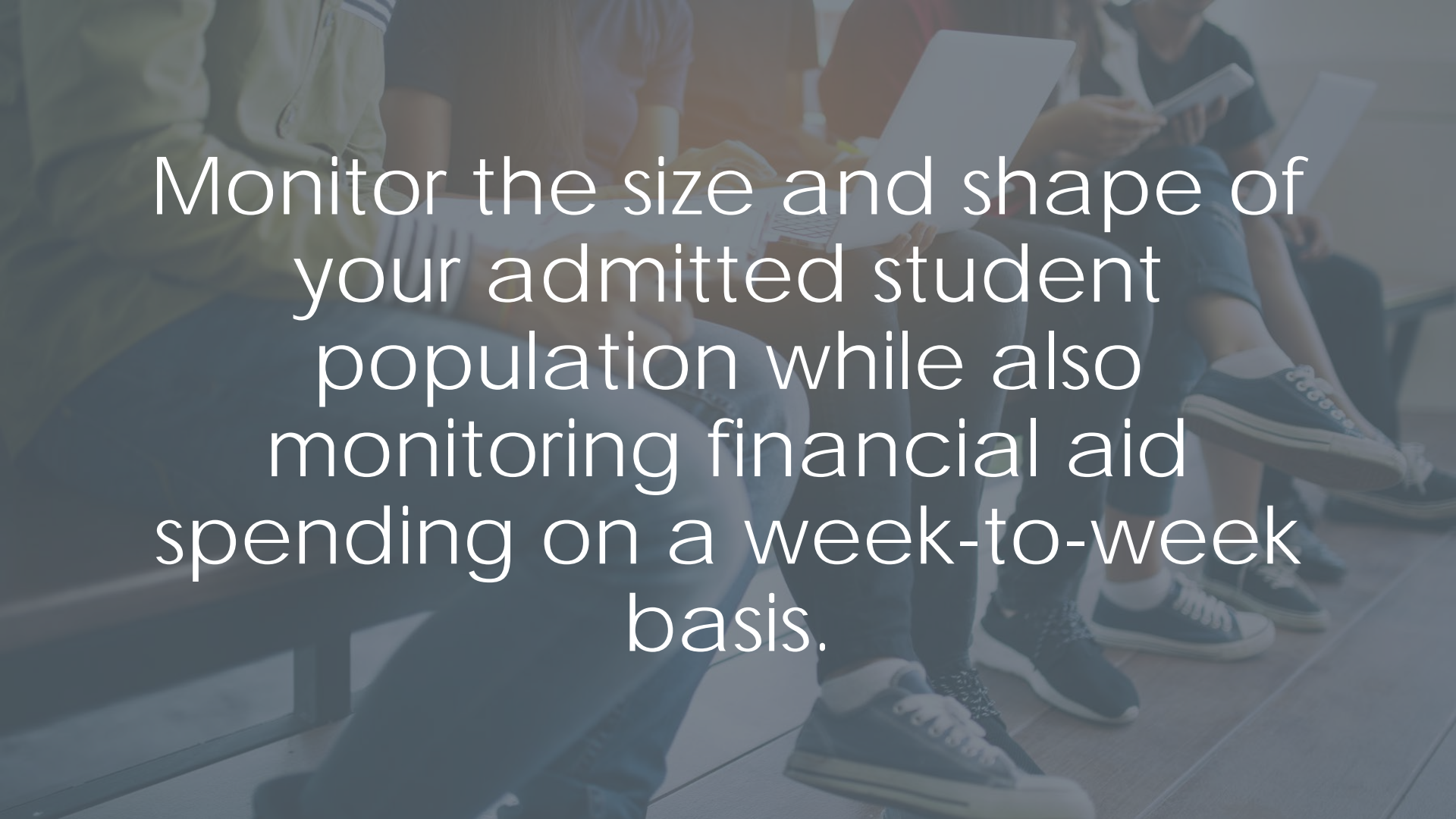
90% of RNLU graduates are employed or in graduate school within 6 months



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



Track Results  
Through Regular  
Reporting

A group of students is sitting on bleachers in a gymnasium. They are holding papers and looking towards the camera. The image is overlaid with a semi-transparent blue filter. The text is centered and reads: 

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

## Executive Summary

Client: Demo Client

Submission Date: Sep 12, 2022



By: Total Transfer Students

Student Status: Net Confirmed

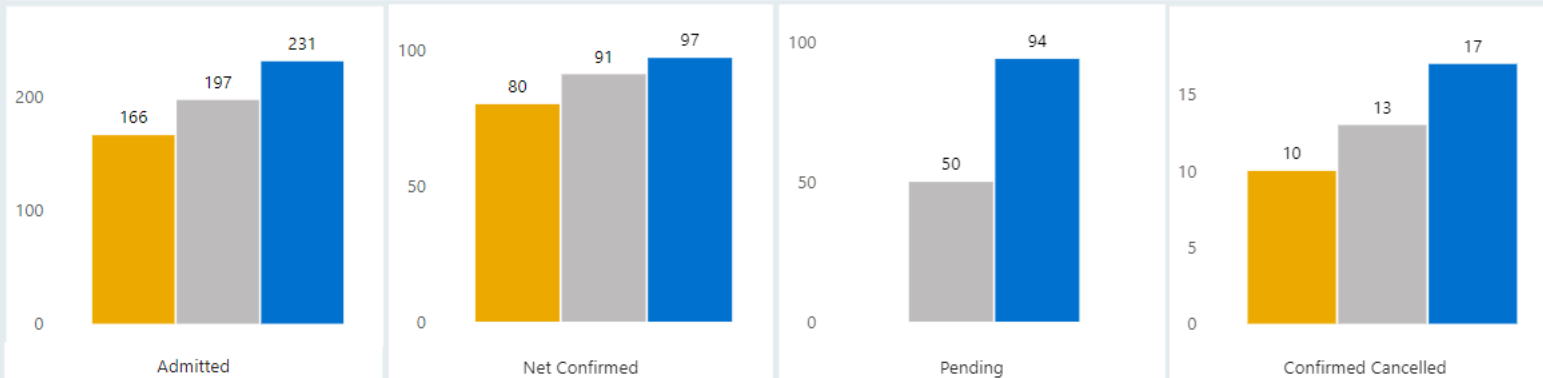
ADMITTED 231 ↑

NET CONFIRMED 97 ↑

AVG T&F NET REVENUE \$19,585 ↑

T&F DISCOUNT RATE 50.7% ↓

### STUDENT HEAD COUNT



### YIELD RATE

IN 2022	42.0%
GOAL:	52.4%
IN 2021	46.2%
FINAL:	45.7%
IN 2020	48.2%
FINAL:	48.2%



# Understand how your awarding policies may be affecting retention and that aid policies may not always be the culprit.

Fall-to-Fall Retention												
	Calc_Index: 88 & Above		Calc_Index: 82 - 87.999		Calc_Index: 75 - 81.999		Calc_Index: 67.5 - 74.999		Calc_Index: 67.499 & Below		Totals	
	Retained	Not retained	Retained	Not retained	Retained	Not retained	Retained	Not retained	Retained	Not retained	Retained	Not retained
FC: \$0	Cell 1		Cell 2		Cell 3		Cell 4		Cell 5			
Number enrolled	18		26		23		31		53		151	
Number retained/not retained	16	2	22	4	17	6	20	11	35	18	110	41
Retention rate	88.9%		84.6%		73.9%		64.5%		66.0%		72.8%	
Number offered aid	16	2	22	4	17	6	20	11	35	18	110	41
Average need	\$28,158	\$30,391	\$27,642	\$28,788	\$27,898	\$27,947	\$28,728	\$27,642	\$27,642	\$27,642	\$28,268	\$28,993
% of need met	55.5%	56.2%	60.9%	50.8%	47.8%	50.2%	47.1%	52.6%	44.6%	48%	50.3%	51.4%
% of need met with gift	41.3%	36.4%	46.6%	38.6%	34.0%	37.7%	34.2%	37.6%	31.4%	30%	36.8%	37.8%
Average award for those offered aid	\$15,637	\$17,070	\$16,842	\$14,611	\$13,334	\$14,030	\$13,535					\$14,916
Total gift (incl. outside gift aid)	\$11,637	\$11,070	\$12,888	\$11,111	\$9,481	\$10,530	\$9,835					\$10,965
Total work and loan	\$4,000	\$6,000	\$3,955	\$3,500	\$3,853	\$3,500	\$3,700					\$3,951
Average net tuition revenue	\$8,108	\$10,428	\$8,174	\$7,484	\$9,086	\$9,393	\$9,835					\$9,279
Tuition & fee discount rate	29.3%	19.8%	28.7%	34.7%	20.7%	18.1%	18.9%					23.9%

The earned college GPA of returners was 3.23 vs. 2.49 for non-returners. Both groups entered with an average HSGPA of 3.0 but the renewal GPA was 3.20

A group of four people (three women and one man) are gathered around a table in a meeting room, looking at a smartphone held by one of the women. They appear to be in a collaborative discussion. The background shows a large window with a view of a building. The entire image is overlaid with a semi-transparent blue filter.

Evaluate your  
financial aid process  
to eliminate potential  
barriers.



# An Effective Financial Aid Strategy



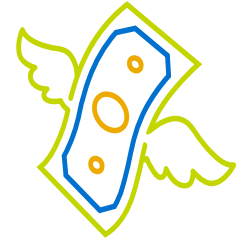
Makes the  
College  
Affordable



Contributes  
Directly to  
Institutional  
Goals



Optimizes  
Distribution of  
Aid to Serve  
More  
Students



Maximizes  
net revenue



# Fall 2024 Items for Consideration

# Fall 2024 Items for Consideration

- Staff training
- FinAid operationalization
- Campus updates (admission, athletics, bursar, others?)
- SIS updates
- Integration into communication flow
  - Specific COA requirements on web
  - Award notification language, etc.

## SAI Implementation



# Fall 2024 Items for Consideration

- Messaging about delayed FAFSA
- Estimated scholarships or awards?
- Articulating changes to the process.
- Value and affordability messaging.
- Encourage all FSA contributors (parents/students) to get an FSA ID.

## Communicating the Changes





Questions?

# Thank you for your time today!

**Sylvia Ewell**

*Vice President*

*Sylvia.Ewell@RuffaloNL.com*

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