

Level of Sacrifice: Understanding "the Gap" of Your Student Population

Derek Flynn, Senior Vice President, Financial Aid Services

Our time together

1. What is “GAP”, or “Level of Sacrifice”?
2. What are students saying?
3. Enrollment and Retention (by GAP)
4. What is your campus doing to address this challenge?



What is “GAP”, or Level of Sacrifice?

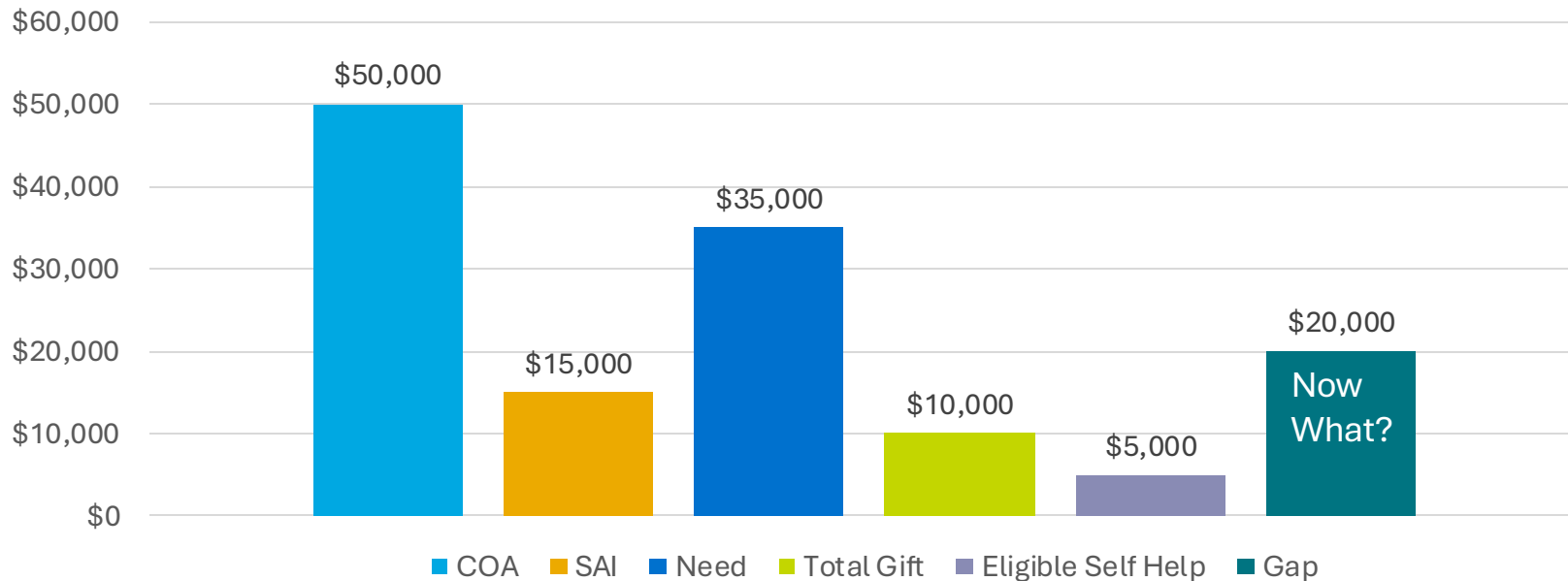
1

Unmet Need (GAP): The student's COA, minus their SAI, less any need-based aid received, such as Gift Aid, Federal Work-Study or Federal Direct Subsidized Loans.

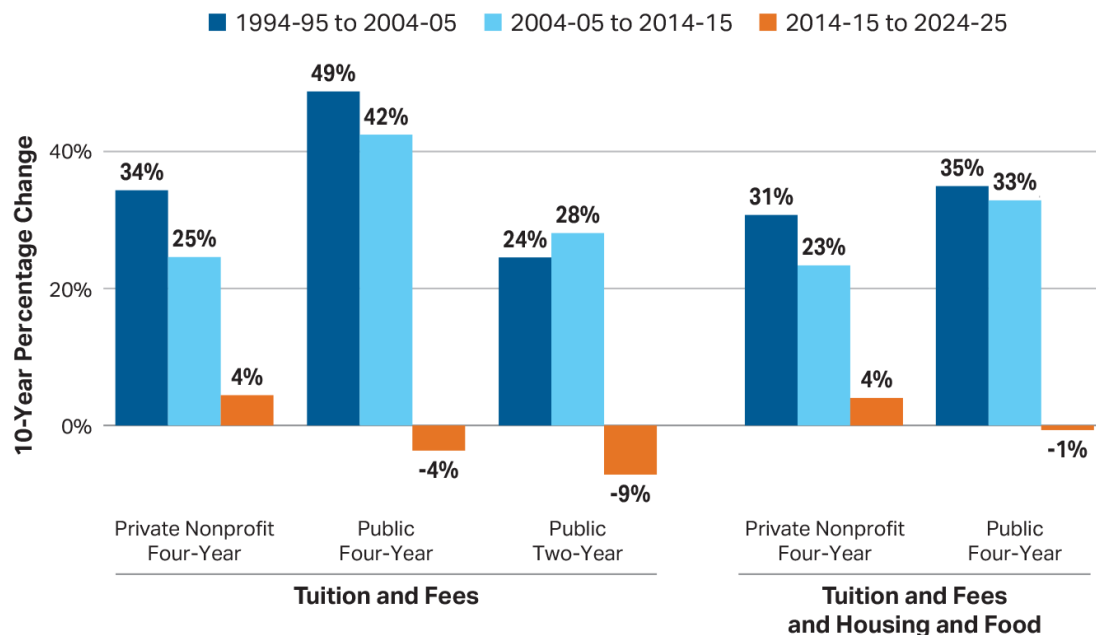
Source: Spring 2023 NAFSAA Best Practice: Aid Offers

From Cost of Attendance to SAI to Need to GAP

Level of Sacrifice

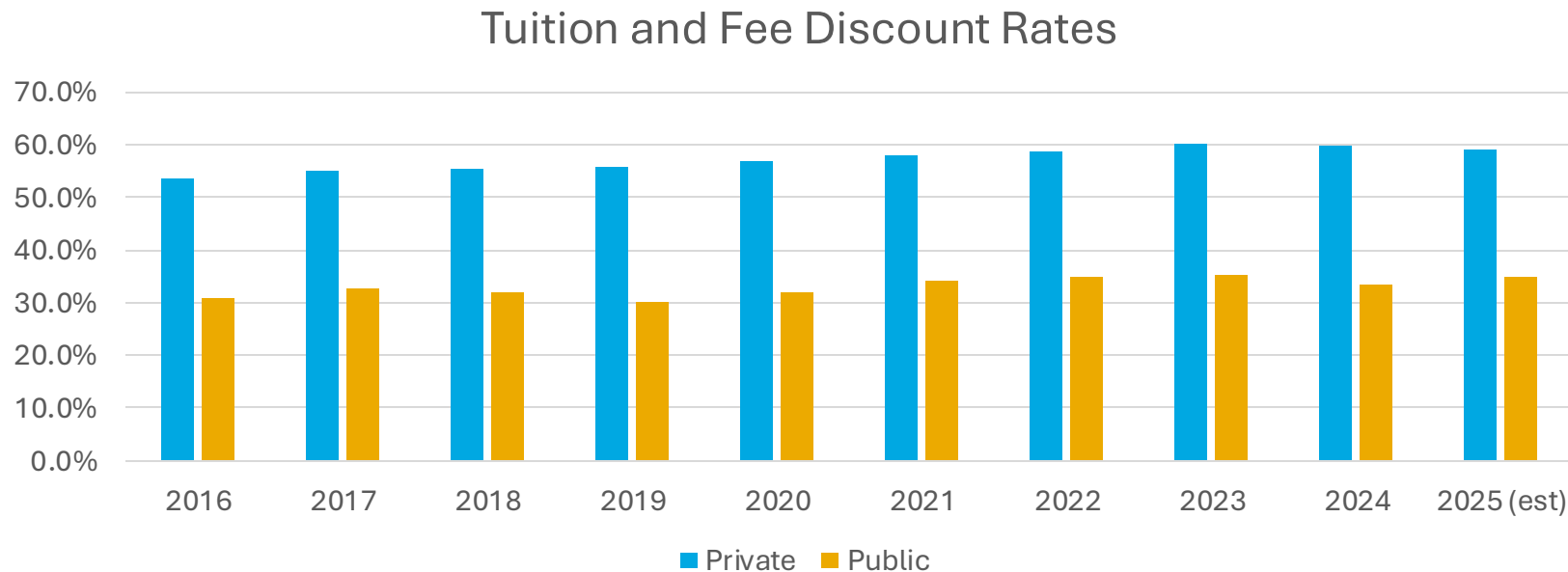


Ten-year Percentage Change In Inflation-adjusted Published Prices (Enrollment-weighted) By Decade, 1994-95 To 2024-25

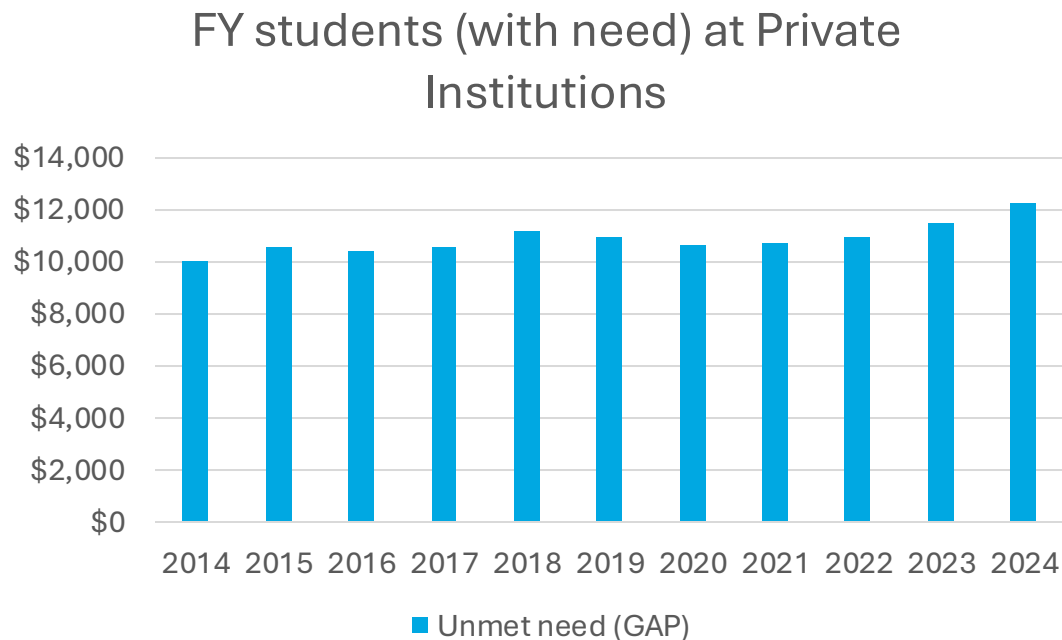


Private and Public Tuition and Fee Discount Rates

Rising costs and stable discounting means increased need and unmet need



Rising costs and stable discounting means increased need and unmet need



Source: 2024 RNL Discounting Report

78% / 66%



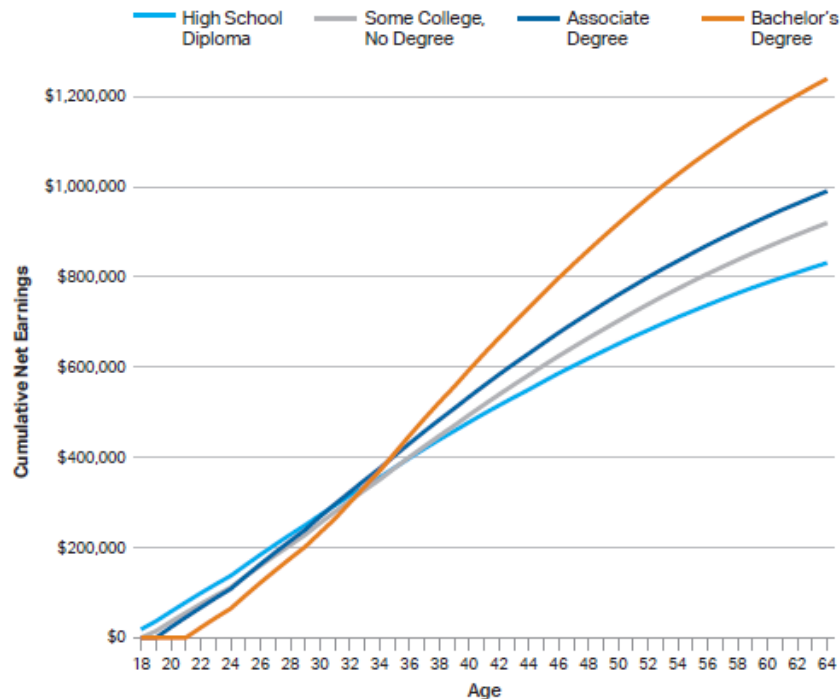
Since 2020, private institutions have met 78% of need and public institutions have met 66% of need.



What are students saying?

2

Estimated Cumulative Full-time Median Earnings (in 2017 Dollars) Net of Loan Repayment for Tuition and Fees and Books and Supplies, by Education Level



Students Are Stressed About Paying for College

8 out of 10 do not know if they will be able to afford it

Top anxieties surrounding college planning

Percentage of students who are *anxious, stressed, or worried* about these areas

82%

Not knowing if they will be able to afford to pay for college

70%

Understanding how to qualify for financial aid or scholarships

68%

Forgetting to submit a required form

67%

Doing an admissions interview

65%

Filling out financial aid forms

58%

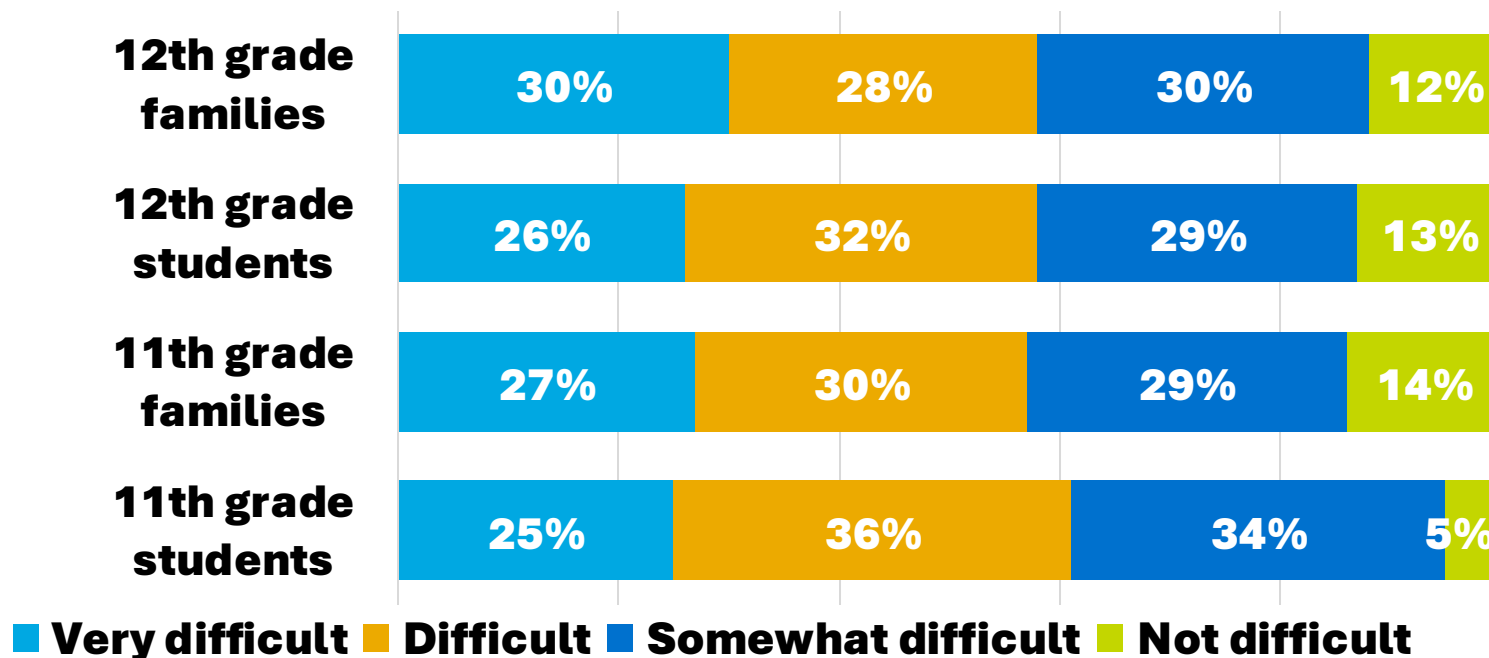
Filling out the FAFSA

56%

Not knowing when they will hear if they got in



Paying for College: A Daunting Task for Most Students and Families



RNL, Ardeo, & Halda. (2024). *2024 High School Students' Perceptions of College Financing*. Ruffalo Noel Levitz.

RNL, CampusESP, & Ardeo. (2024). *2024 Prospective Family Engagement Study*. Ruffalo Noel Levitz.



The Growing Burden of Loan Anxiety in College Planning

Has loan concerns

2022 Families

66%

2024 Families

69%

Loan concerns are negatively impacting student's college planning

2022 Families

68%

2024 Families

71%

Awarding to Impact Retention and Completion

Mind the GAP!

- Understand patterns and level of sacrifice—the GAP
- Analyze persistence, progression, and completion from a financial aid perspective.
- Use caution with price increases as capacity to pay is not increasing at the same rate.

When you know tuition will increase, also know how to balance that with ability to pay.

A graphic on the right side of the slide featuring a background of white puzzle pieces. A horizontal band of red puzzle pieces runs across the middle. The text "MIND THE GAP" is written in white, bold, sans-serif capital letters on the red band.

MIND THE GAP



Enrollment and Retention (by GAP)

3

Are you monitoring the GAP of retained and non-retained students?

Note that non-returners have a 30% larger GAP than returners and a much lower SAI, too. Knowing this, what do your instincts tell you?

RNL University

Total First-Year Students

	Totals	
	Retained	Not retained
All need-based students		
Avg. SAI	\$8,147	\$2,729
Average Financial Need	\$33,134	\$38,198
Number of students	226	113
Number with Unmet Need	194	108
Average Unmet Need	✓ \$9,685	✓ \$12,417
Number with Excluded Loans	225	113
Average Excluded Loans	\$3,842	\$2,310

Do this same exercise by differing groupings and populations



In-state



By SAT



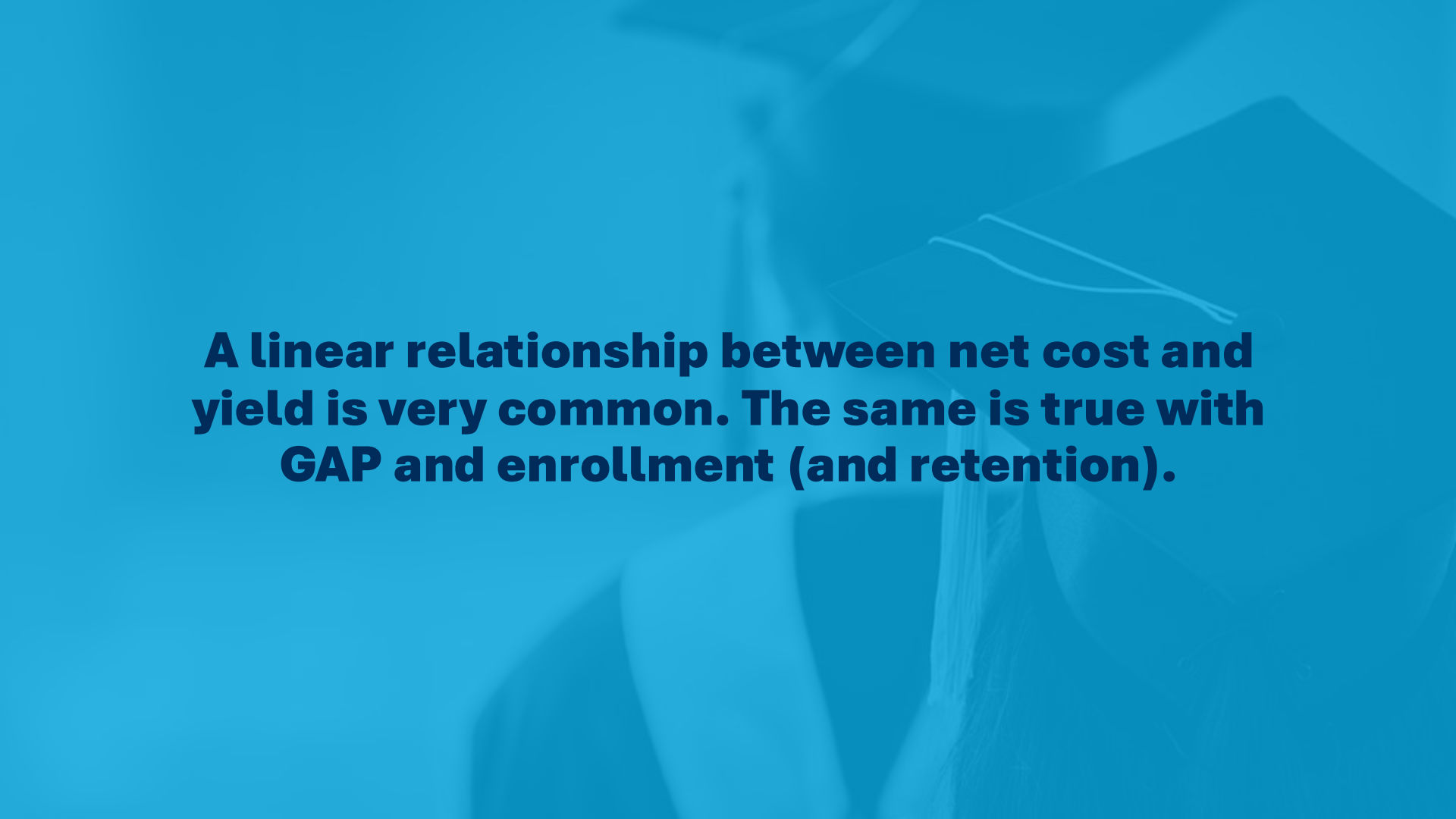
Out-of-state



New Students



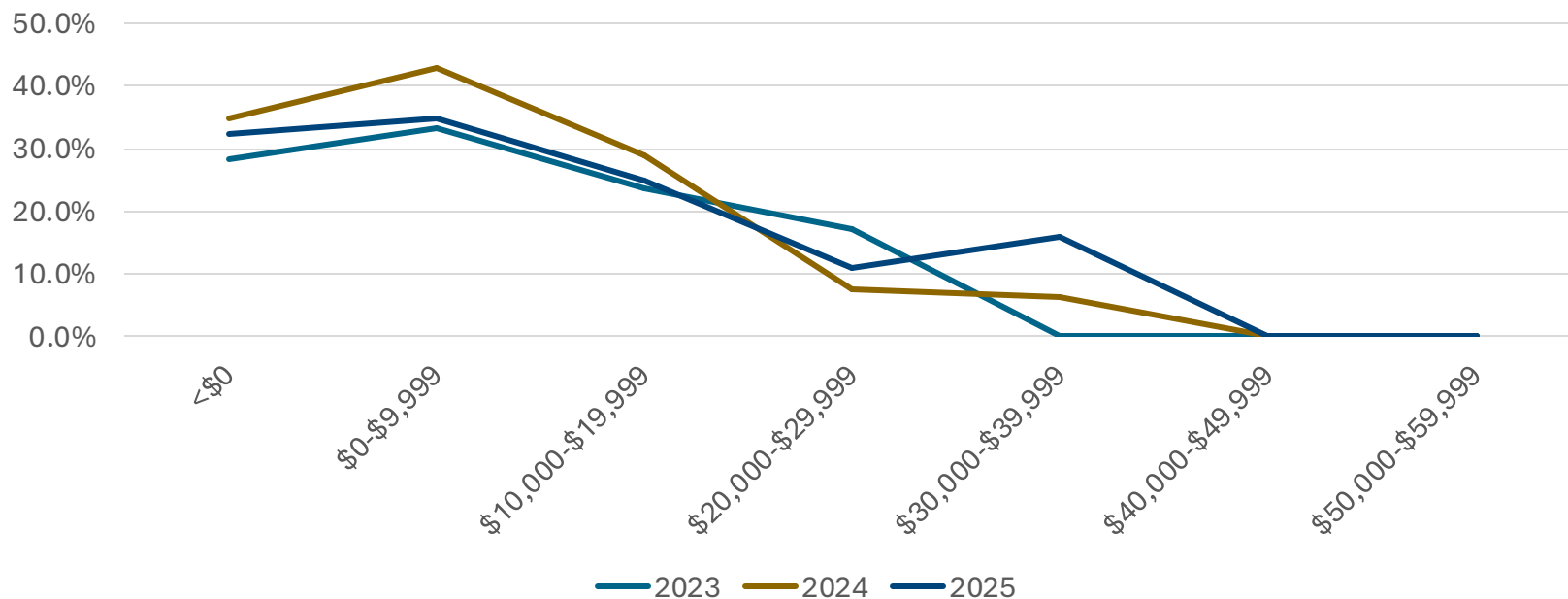
Transfers

The background of the slide is a solid blue color. Overlaid on this background is a faint, semi-transparent image of a graduation cap (mortarboard) and a diploma. The cap is positioned in the upper right, and the diploma is below it, slightly to the left. The text is centered in the middle of the slide.

A linear relationship between net cost and yield is very common. The same is true with GAP and enrollment (and retention).

Here we can see a clear correlation of yield and GAP. As GAP increases, yield declines.

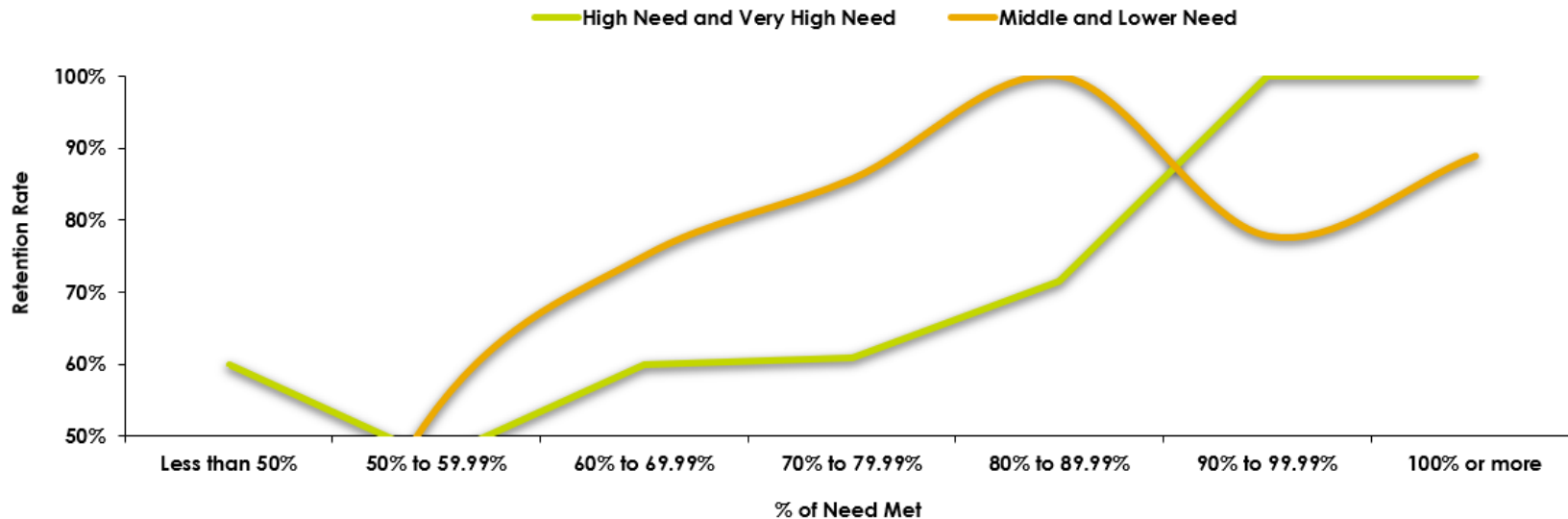
RNL University Yield by GAP of Students with Financial Need



Understand the relationship of retention by the % of need met (or not met)

Using the % of need met as a proxy for GAP, as the percentage of need met increases, so does retention

Retention Rates by Percent of Need Met



You should also understand how your students perform once enrolled at your institution

This can be especially informative when setting renewal criteria for scholarship

RNL University

Total First-Year Students

Comparison of Acad. Measures for Students Entering Fall 2023 Retained and Not Retained to Fall 2024



	HsGpa: 3.9 & Above		HsGpa: 3.5 - 3.89		HsGpa: 3.0 - 3.49		HsGpa: 2.5 - 2.99		HsGpa: 2.49 & Below		Totals	
	Retained	Not Ret.	Retained	Not Ret.	Retained	Not Ret.	Retained	Not Ret.	Retained	Not Ret.	Retained	Not Ret.
Total												
Average high school GPA	3.96	3.93	3.68	3.66	3.23	3.24	2.76	2.73	2.21	2.30	3.27	2.96
Achieved College GPA	3.84	2.93	3.50	2.75	3.11	1.98	2.85	1.40	2.72	2.02	3.23	1.95
Total												
Number enrolled	30		110		116		104		47		407	
Number retained/not retained	29	1	88	22	79	37	52	52	25	22	273	134
Retention rate	96.7%		80.0%		68.1%		50.0%		53.2%		67.1%	



**What to do...and what do
you do?**

4

Affordability and Access

- An institution should understand where they are priced in relation to their competition and demographic area.
- Study your student's need vs. gift aid.
- Financial aid budgets may not be sufficient if an institution wants to truly provide greater institutional access.
- Monitor GAP.
- Train your enrollment team to help them comfortably discuss financial aid awards with your families.

What type of yield are you seeing from your “needy” population?



Are you seeing different enrollment behaviors in your high SAI families vs. full and partial Pell population?

Some possible financial interventions and preparations

- Make sure you are following-up on financial aid awards in a timely fashion and tracking student response to their aid awards. This can allow for greater discussion of options. Be the one to review your award!
- Prepare to manage student appeals for financial aid
- Monitor student borrowing patterns and develop a strategy to respond if families cannot access traditional credit sources
- Accelerate the first payment and deploy counseling resources for those families who miss this important milestone
- Proactively schedule financial aid appointments with families (both new and returning) whom you deem to be at the greatest risk
- Whether “old school” or with statistical tools, make sure you understand the relationship between GAP and retention and what other variables play a part.

Perform additional analysis to see how other variables play a part in yield (by GAP)

Very low/no yield of all students with a GAPs of \$10K and greater!

	GAP (Unmet Need)			
HSGPA	\$15,000 & Greater	\$14,999 – \$10,000	\$9,999 - \$1	No GAP (w/FAFSA)
3.8 & Above	0.0%	0.0%	21.5%	30.7%
3.2 – 3.79	0.0%	5.3%	23.2%	27.1%
2.5 – 3.19	0.0%	5.7%	24.8%	32.5%
2.40 & Below	0.0%	12.4%	29.6%	32.7%

With that information, you can build out a strategy using GAP and academic preparedness for when students raise their hand.

A similar concept could be used for retention

	GAP (Unmet Need)			
HSGPA	\$15,000 & Greater	\$14,999 – \$10,000	\$9,999 - \$1	No GAP (w/FAFSA)
3.8 & Above	\$2,500	\$2,000	\$1,500	\$1,250
3.2 – 3.79	\$2,000	\$1,500	\$1,250	\$1,000
2.5 – 3.19	\$1,500	\$1,250	\$1,000	\$750
2.40 & Below	\$1,000	\$750	\$500	\$0

Some creative financing solutions

Level tuition programs

Four-year graduation guarantees

Institutional loan programs (both emergency and expansion of existing programs)

Capping loan burdens for high-risk populations

True 12-month payment plans

Differential pricing for high-demand programs

Communicate net cost early and often (on-line aid calculators)

What are we seeing....

And what are you doing?



Pell Commitment programs



External Partnerships (i.e. LRAP)



Learn and Earn programs



Use Funded dollars to target higher GAP's.



Crowd Fund

Thank you!



Derek Flynn

Senior Vice President
Financial Aid Services

Derek.Flynn@RuffaloNL.com





The 39th Annual National Higher Education Conference