EAB

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

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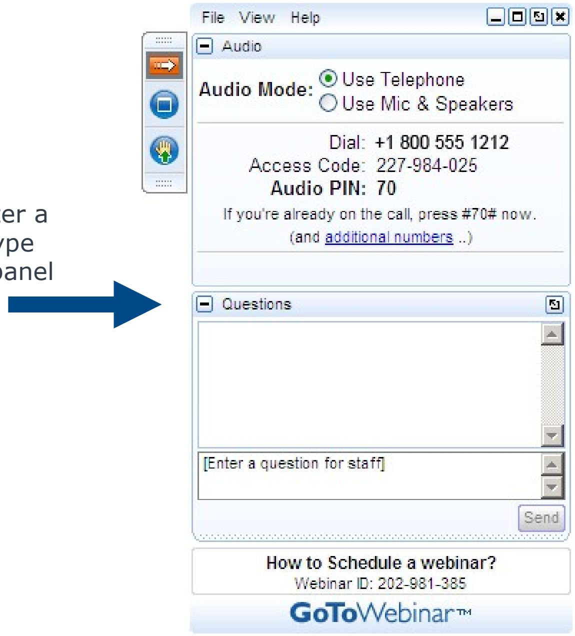

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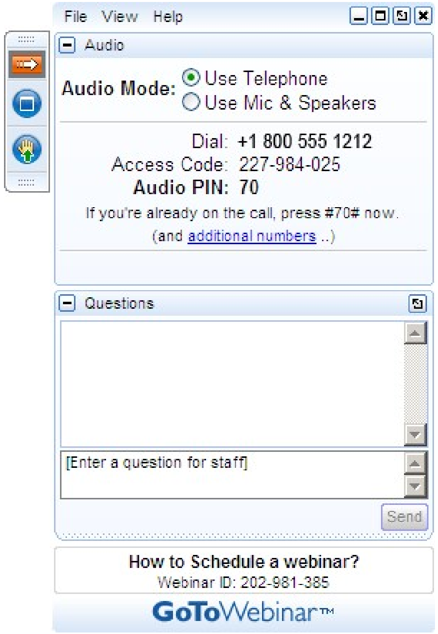

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About MREC

EMF’s Marketing and Recruitment Effectiveness Center (MREC)

Enrollment managers are constantly bombarded by requests to consider new marketing and recruiting ideas. MREC helps them navigate these decisions and make targeted improvement efforts in marketing and recruiting.

MREC’s webinars, whitepapers, and expert insights will address three questions:

1. Which novel ideas are hype, and which are worth trying?
2. Which of our current practices need updating—and how?
3. What can we safely stop doing?

Assessing New-to-Organization Ideas

- Test-Optional
- Micro-Scholarships
- Self-Reported Academic Records
- Text Communication
- Differential Pricing
- Using Social Media for Yield

Questioning Conventional Approaches

- Timing of Financial Aid Packaging
- Summer Melt
- Early Decision and Early Action
- Campus Visits
- Financial Aid Communications
- Travel Budget Allocation

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1 The New Reality of Early FAFSA

2 Using Aid Packaging for Engagement

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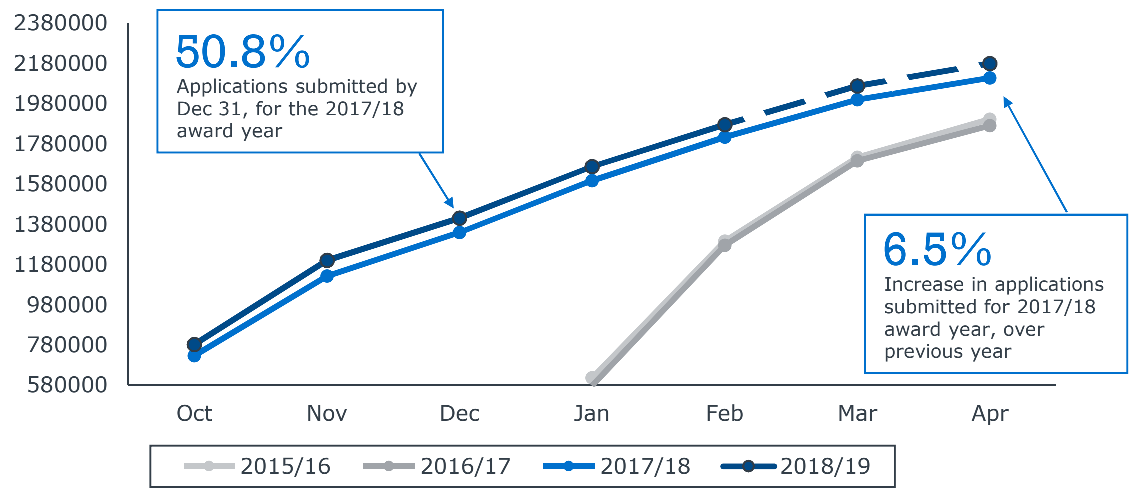
Families Have Embraced October Availability

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



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Source: FAFSA Completion by High School and Public School District, published and unpublished FSA data; EAB analysis

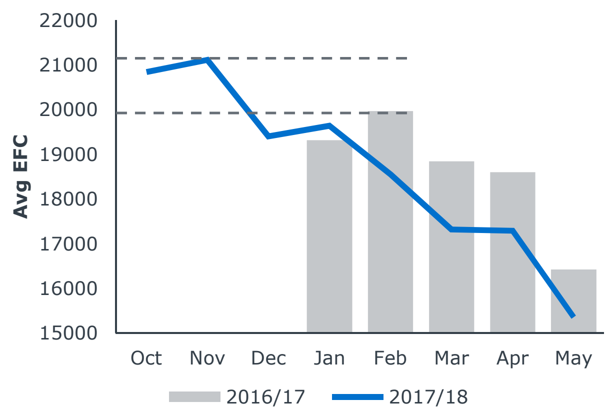
First Months of FAFSA Attract Critical Segments

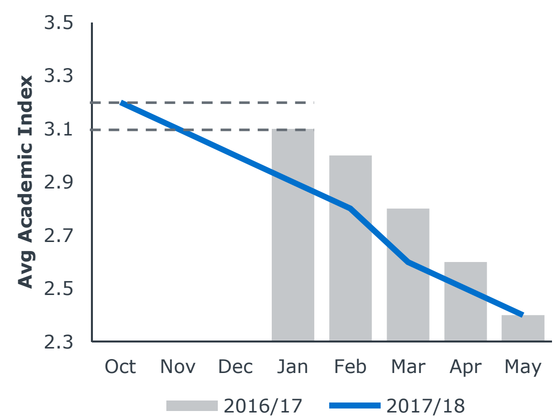
Early Filers Are More Likely High-Achieving and Higher EFC Under Early FAFSA

Academic Ability and Family Income Correlated with Early Filing

Average EFC and Academic Index[1] of Students by FAFSA Filing Month

n=140





<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.

Source: ISIRs received by EAB Financial Aid Optimization client schools during 2016/17 and 2017/18 award years

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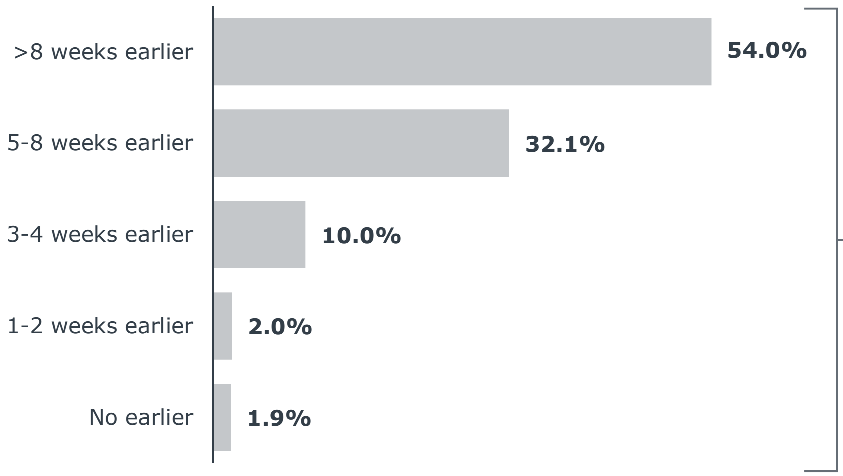
Schools Are Advancing Their Timelines

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)



52%
of surveyed schools reporting they would start awards even earlier for the 2018/19 award year

Source: EAB Royall & Company, "2017 Entering Class Survey Flash Poll 3: Financial Aid," October 2017

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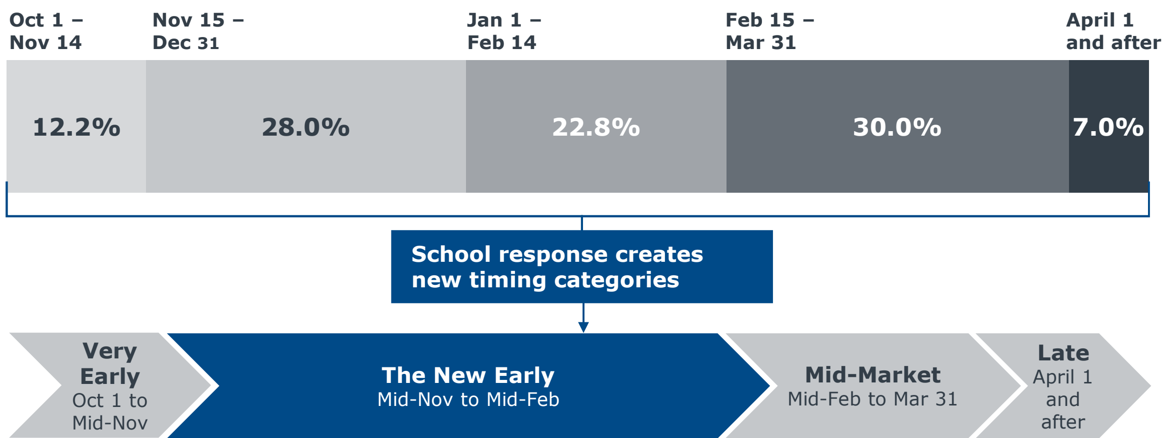
School Response Has Created a “New Early”

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



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

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Source: EAB interviews and analysis

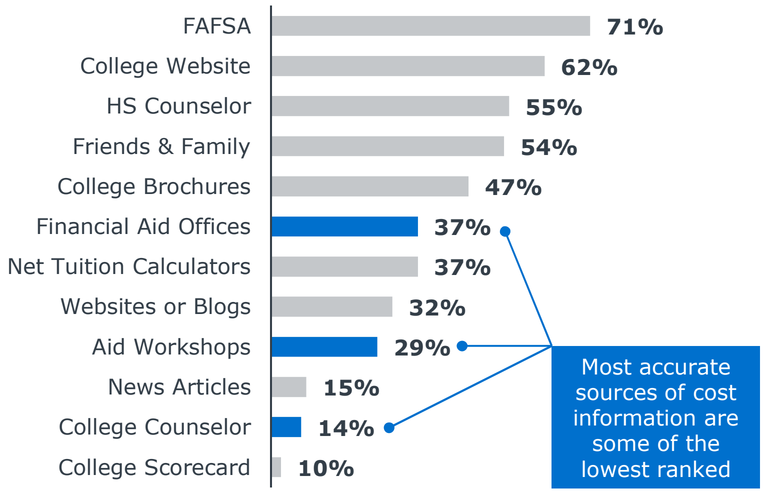
Families Make Decisions Based on Wrong Info

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

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Source: Art & Science Group LLC, "StudentPOLL," Vol. 12 No. 2 (Oct 2016) and Vol. 11 No. 1 (June 2015; EAB Enrollment Services 2017 Deposit IQ Survey

Opaque Aid Letters Lessen Benefits of Early FAFSA

Cost Transparency Remains a Perennial Issue

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 packages 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

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

Source: Radford, Ifill, and Lew, "A National Look at the High School Counseling Office," *NACAC*, March 2015; Negron, Allie, "uAspire Testifies Before U.S. Senate Education Committee on College Affordability," *uAspire Blog*, 18 Jan 2018.

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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.

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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

Very Early
Oct 1 to Mid-Nov

The New Early
Mid-Nov to Mid-Feb

Mid-Market
Mid-Feb to Mar 31

Late
April 1 and after

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?

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Use Estimates for Early Packaging

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

Spotlight Practice | Metropolitan State University of Denver

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

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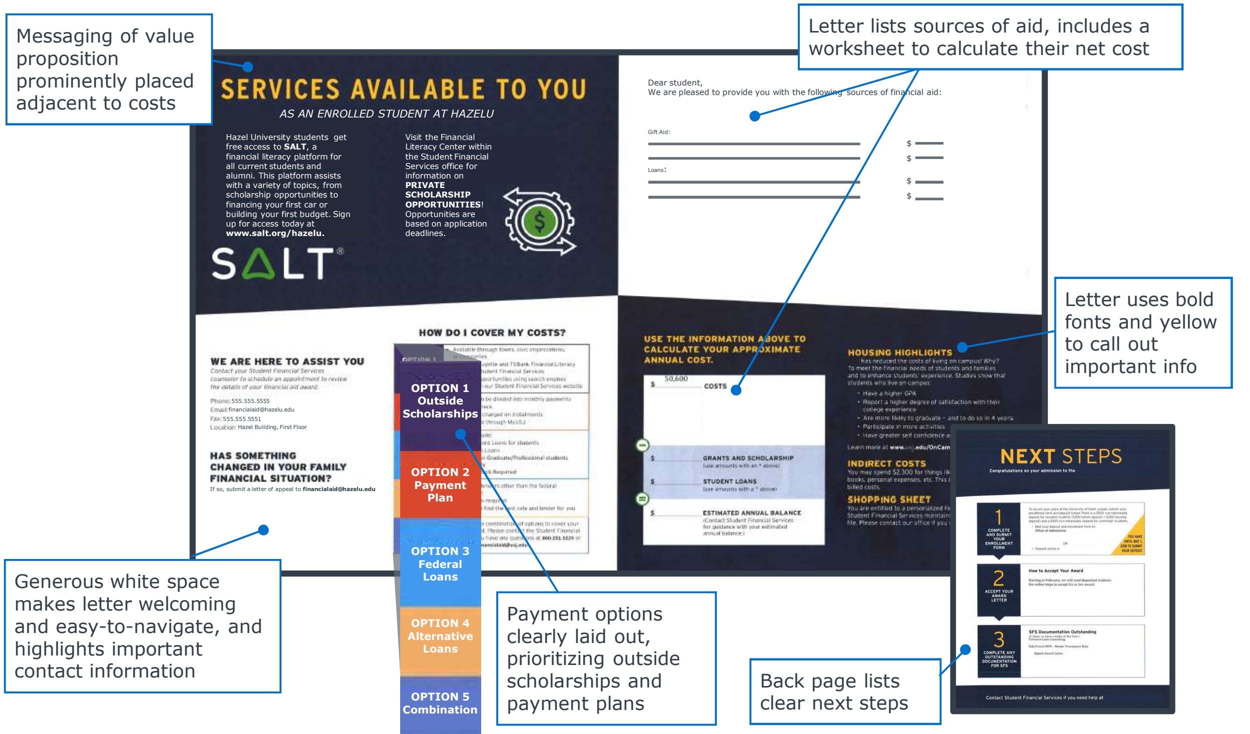
Source: EAB interviews and analysis

Treat the Aid Letter as a Touchpoint

Anatomy of an Aid Letter Designed to Support Decision-Making



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

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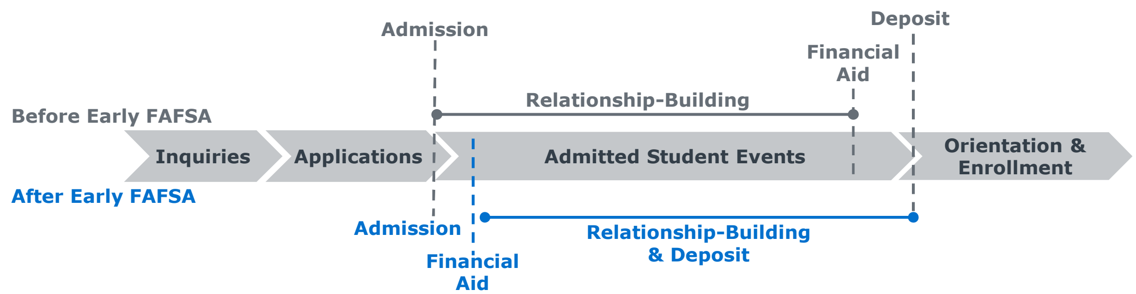
Source: EAB interviews and analysis

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

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Source: EAB interviews and analysis

Engage with Families About Aid During Events

Empower All Recruitment Staff to Have Conversations About Aid and Value

Spotlight Practice | Florida Southern College

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
- **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
- **walks the family through their aid package**, using a cost of attendance worksheet
- **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

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Source: EAB interviews and analysis

Differentiate Between Financial Concerns

Fall Packaging Opens Up Time to Have Varied Financial Conversations

Spotlight Practice | WESTERN NEW ENGLAND UNIVERSITY WNE

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

For Parents: Financial Aid Workshops During Open House Events

For Parents and Students: Personal Finance Bootcamp During Summer Orientation

For Students: Money Management Workshops During Fall Term

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

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Source: EAB interviews and analysis

Take Advantage of Appeals

For Schools That Accept Appeals, Make Them Customer Service Opportunities

Spotlight Practice | WESTERN NEW ENGLAND UNIVERSITY WNE

Western New England University's Efficient Appeals Process Displays Responsiveness

1. Financial aid office opens appeals process by second week of January
2. Families that want to appeal their aid package write a letter explaining additional need
3. Letter is scanned into CRM. Admissions counselors add personal notes about the student relationship, if applicable, to give context to appeals committee
4. Student's entire CRM file is forwarded to appeals committee, including demonstrated interest, EFC, GPA, test scores, etc
5. Committee meets **every week** to review appeals, until budget runs out in early April
6. Committee follows rubric to determine if student qualifies for one of three small, pre-set aid increases
7. Family is informed of appeal decision within two weeks of submitting initial letter

> 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*

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Source: EAB interviews and analysis

Section 2 Takeaways

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

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