



# The Vital Partnership Between Financial Aid Retention and Persistence

**Dave Deibel**

School Relations Director, ECMC

**Chris DeSousa**

National Director of School Relations, ECMC



# Agenda

- Defining and understanding retention/persistence
- Why us?
- The top six issues impacting retention
- Data to the rescue!
- The top ten.....!
- Let's talk



# Defining Persistence and Retention



**Persistence Rate:** the percentage of students who return to college at **any** institution for their second year.

**Retention Rate:** the percentage of students who return to the **same** institution for their second year.

# Entering Cohort Fall 2015



- Students entering school in the Fall of 2015 persisted (went to another school in the U.S.) at a rate of 73%
- Students entering school in the Fall of 2015 were retained (went to the same school) at a rate of 60%
- In short: 1 in 8 students transferred institutions.



# Why do Students Withdraw?

**GPA**

**Illness**

**Family**

**Unable to Balance**

**Life**

**Job**

**LOST**

**FOUR**

Students who are undecided or who have a less job specific major are more likely to drop out\*

\*Source: Harvard. (2011)

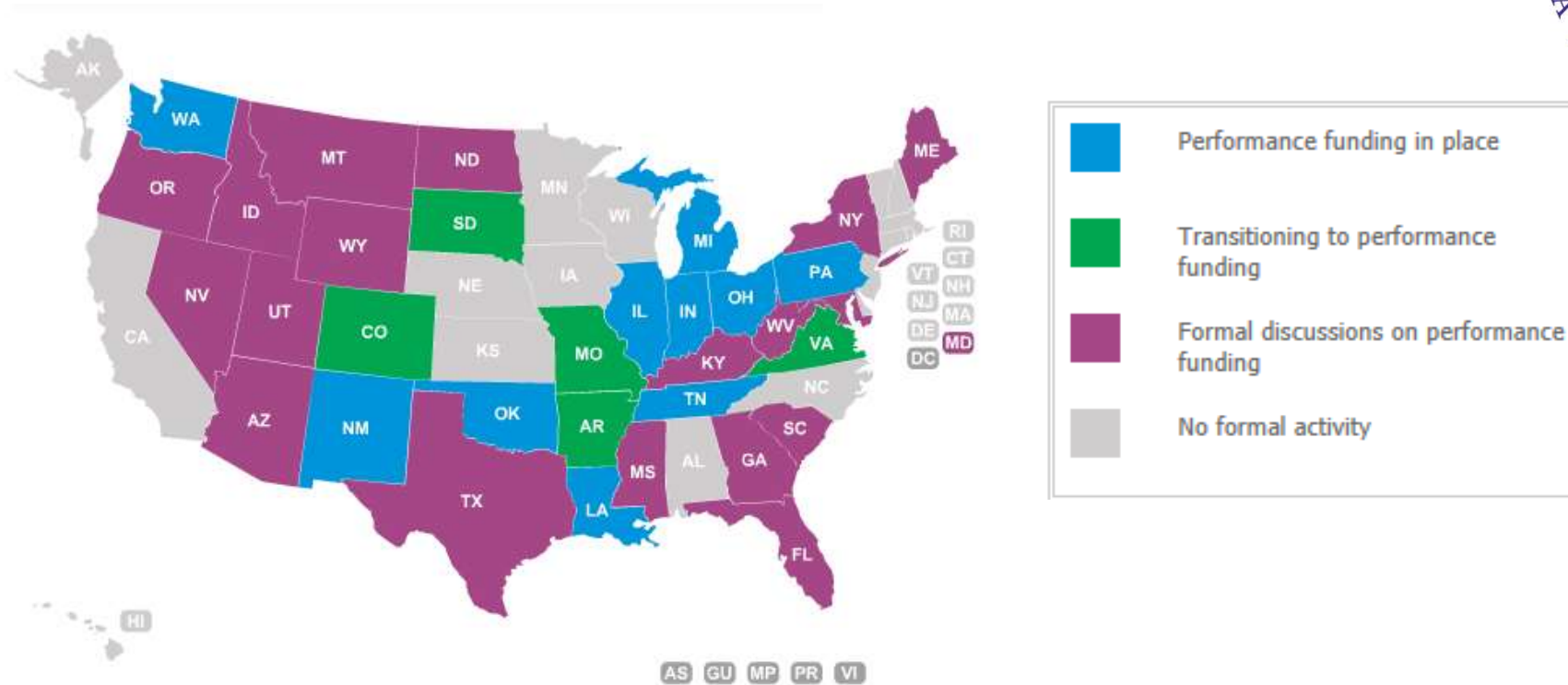


# FAO Concern: Default Rate

- Borrowers who do not graduate default on their loans at a higher rate than those who do graduate.
- The average default rate for those borrowers with no degree is more than **4 X** the rate for those with a Bachelor's degree\*
- Loan default = no Title IV, bad credit reports, collection agency contact, IRS income tax offset, negative impacts on ability to get jobs

\*Source: Nguyen, M. (2012)

# Why Should the FAO be Concerned?



Movement to tie state funds to graduation rates or to other performance indicators

\*Source: NCSL. (2015)

# Impact and Influence!



The FAO serves as a sensor for “At Risk” students:

- Exposure
- SAP
- Financial concerns
- Financial literacy
- Data





# Top 6 Retention Issues

- Money
- Academic
- Identity
- “First Gen”
- Communication
- Ignorance



# The MONEY Issue

- College is expensive
- Cost of living continues to increase
- Families may plan for year one, but not later years
- Parent unable/unwilling to help



# The MONEY Issue??

- Financial issues may be more of a “tipping point” when students are already concerned with:
  - Academic performance
  - Campus relationships
  - Family issues
  - Work situations

Assuming money is always the main driver to improved retention rates is not enough

\*Source: Scannell, J. (2011)





# The Academic Issue

- Students not ready academically for college
  - >50% of students entering **2 yr. colleges** and **almost 20%** of those entering **4 yr. colleges** are placed in **remedial classes**
- Drains money intended to pay for college courses
- Students may go into debt over these courses
- According to ED, students most likely to withdraw are:
  - Enrolled in a remedial course
  - GPA below 2.75

\*Source: Elliot, S. (2013)

# The Identity Issue



- Retention requires a degree of connection between student and institution
- Enhancing connections between financial aid office with academic faculty, advisors, and advocacy offices
  - Communication/Presentations to other campus offices including faculty groups.
  - FAO liaison for other offices



# The “First Gen” Issue

- Nationally, less likely to attend and persist in college\*
- 34% of students at 4 year institutions are “first gen”
- Only 12% will earn a degree
- Median family income for “first gen” is 1/3 less than those whose parents graduated college.\*
- “First gen” is an educational and funding issue for the FAO

\* Source: Musslewhite & Reeve, (2012)

\*Higher Education Research Institute, UCLA (2016)

# The Uninformed/Unfamiliar Issue



- College students are generally mentored by their parents and ignore experts (especially online experts).
- Lack of student and family knowledge of financial aid programs and the financial aid office
- Start early! Educate!
- Increasing outreach to middle schools for family financial planning
- Financial literacy campaign for new and continuing students



# The Communication Issue



- Enhancing connections between the financial aid office with academic faculty, advisors, and advocacy offices
- Offer presentations to faculty groups and departments
- Encourage other campus offices to report students they are concerned about.

# The Communication Issue



- Social media/networking for financial aid outreach
- Everybody's doing it! Set up a Facebook page or a Twitter account to get the word out to these Millennials and Social Media-friendly parents
- Have school's main Social Media site (official) send out status reports and tweets of important financial aid events and deadlines
- **Live Chat**



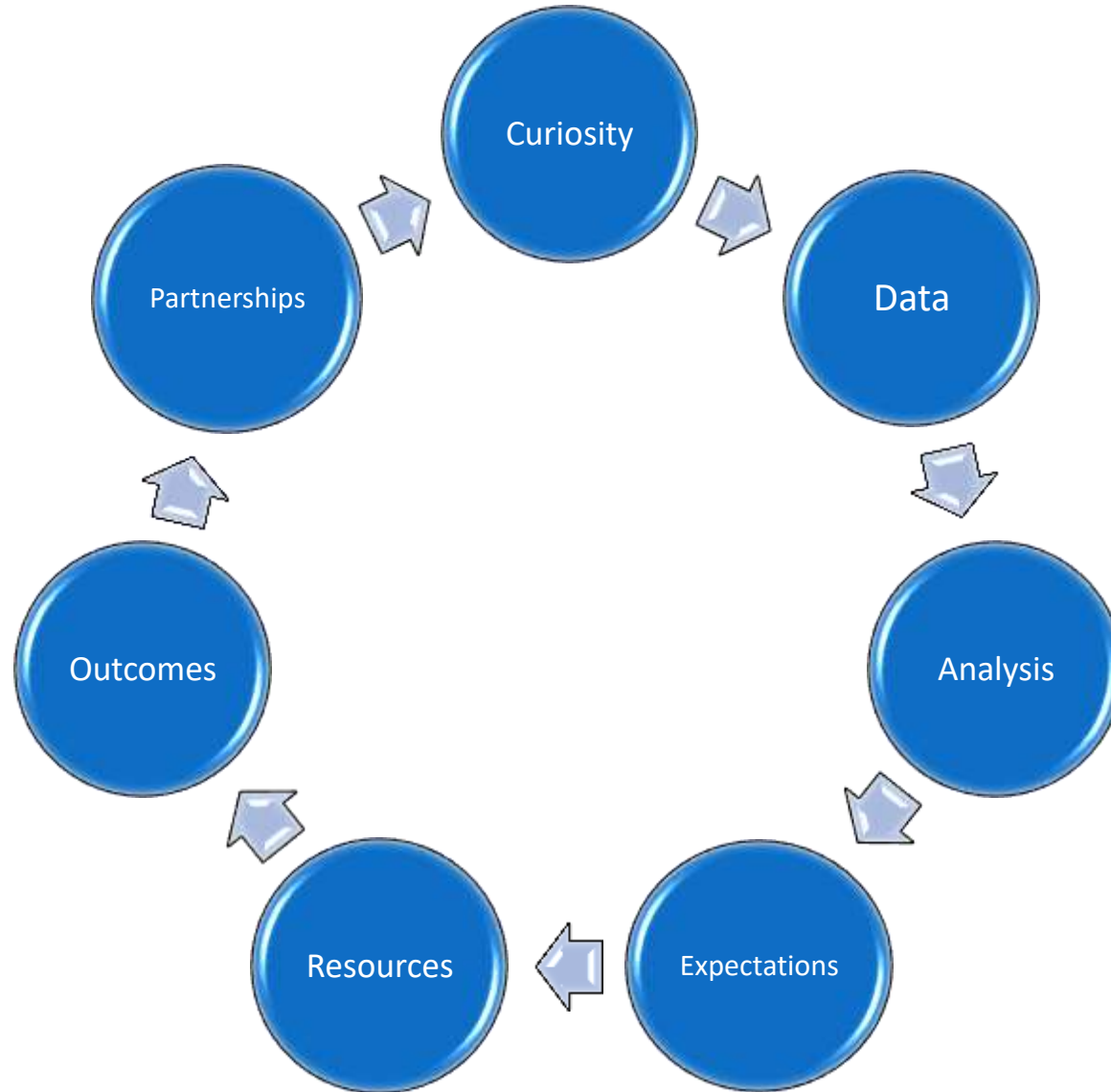


# Data is the KEY!

- Data = no assumptions
- Will help prioritize our efforts
- No sense of urgency without data
- Impossible to sustain momentum without data to document success.
- Data Examples: FAFSA, ISIR, NSLDS, tax returns, professional judgment docs, etc.



# Cycle of Retention Planning





# The FAO / Retention “Top 10”

1. Remember how hard it is for people to talk about money.
2. Help lead/promote campus wide financial literacy initiatives
3. Reduce the “run around”
4. Solve the knowledge gap between the Financial Aid office and the Bursar’s office.
5. Educate students on the process of financial aid, not just about their financial aid.
6. Create and provide an annual Loan Letter
7. Use the data to identify at risk students and provide to retention committee.
8. Partner with other offices to meet the challenge of affordability.
9. Increase FAFSA completion!
10. Provide training to academic counseling staff regarding aid limitations(Pell Grant limits, aggregate debt)