



# Best Practices for Engaging Students in Your Financial Aid Communications

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Wes Butterfield

*Vice President*

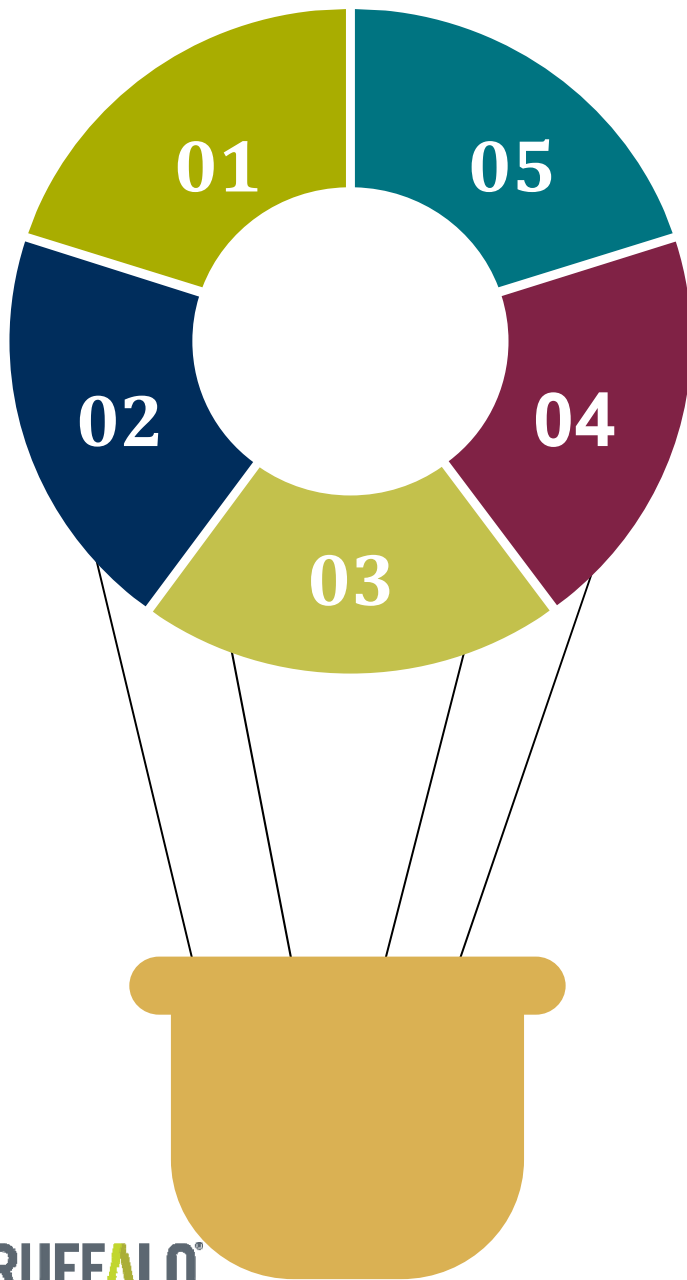
# Demographics of the National Sample

*Population: 16,000 high school seniors*

*770 responded, 608 completed the RNL email survey in early May 2018*

*5% response rate; 79% completion rate—only surveys completed to 100% were used in analysis*

- FIRST-GENERATION STATUS
  - 43% First-generation
  - 57% Non-first-generation
- GENDER
  - 61% Female
  - 39% Male
- ACADEMIC ABILITY
  - 72% High academic ability (GPA > 3.6)
  - 28% Average academic ability (GPA 2.5-3.5)
- SPANISH SPOKEN AT HOME
  - 28%
- REGION
  - 16% Northeast
  - 16% Midwest
  - 24% South
  - 43% West
- RACE/ETHNICITY
  - 19% Asian
  - 20% Black
  - 36% Hispanic
  - 25% White



01 COLLEGE PLANNING

02 PARENTAL INVOLVEMENT

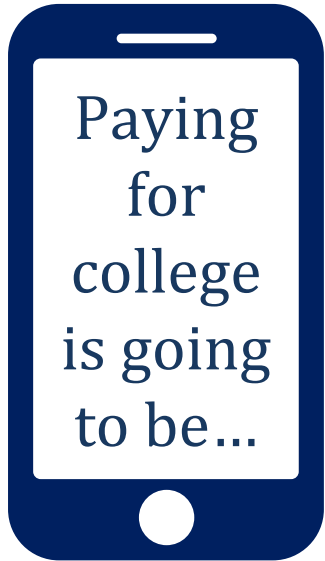
03 APPLICATION PROCESS

04 FINANCIAL AID

05 COMMUNICATION CHANNELS

1

# College Planning



**31%**



**Very difficult**

**56%**



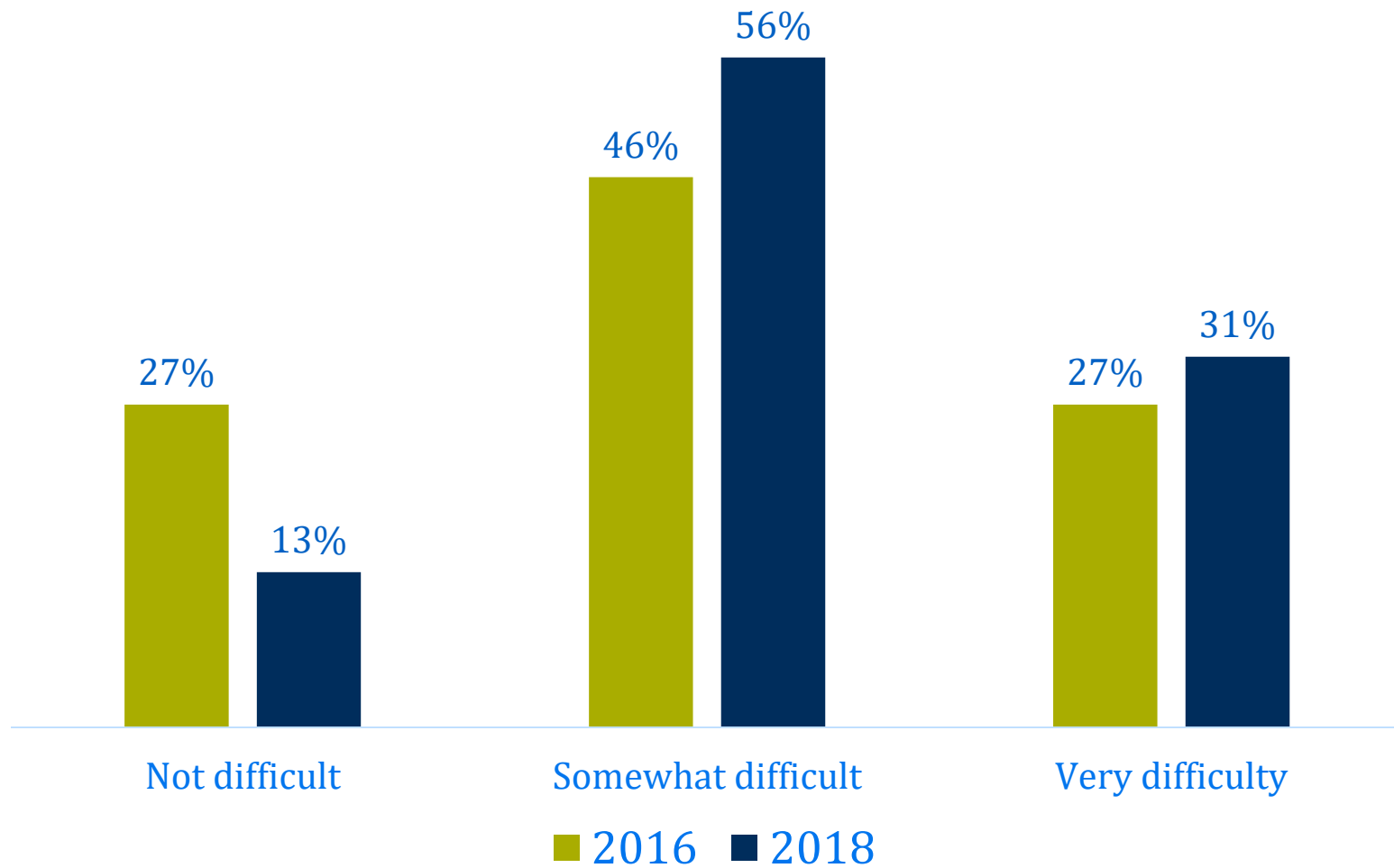
**Somewhat difficult**

**13%**



**Not difficult**

# Perception of Financing Difficulty





- ✓ Know the price sensitivity of prospective students. How do they perceive the cost of attending your institution? The value of a degree? It's critical to research these perceptions so that you can optimize your price point and also communicate value to prospective families.



- ✓ Understand your cost compared to your competitors. Similarly, understanding your price relative to your competitors is essential for crafting the right communications during the awarding process.



- ✓ Remember that an education is an investment for students, and they want to know why they should choose your institution over one that may be less expensive.

How important were financial aid and/or scholarships in helping you decide where to attend?



Very important

73%



Somewhat important

22%

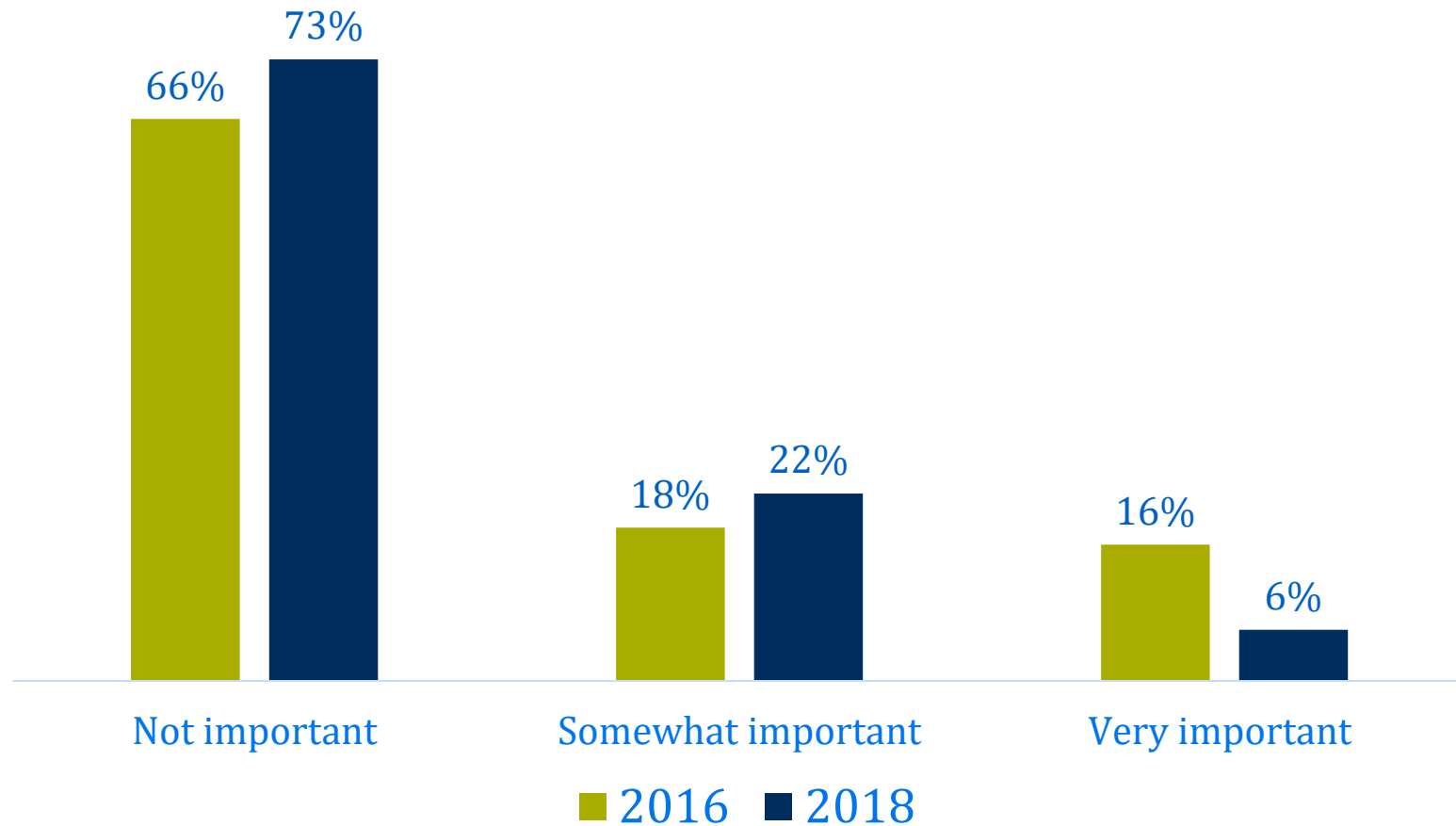


Not important

6%



# Importance of Aid in the Enrollment Decision





- ✓ Awarding communications are another step to student engagement. An aid package plays a major role in the enrollment decision of most students, so make sure your award communications are timely, clear, and convey the full range of available aid.



- ✓ First-generation students and their parents may need more information and interaction than students whose parents have been through the college financial process before. In addition, some first-generation students may come from households where English is not the primary language.

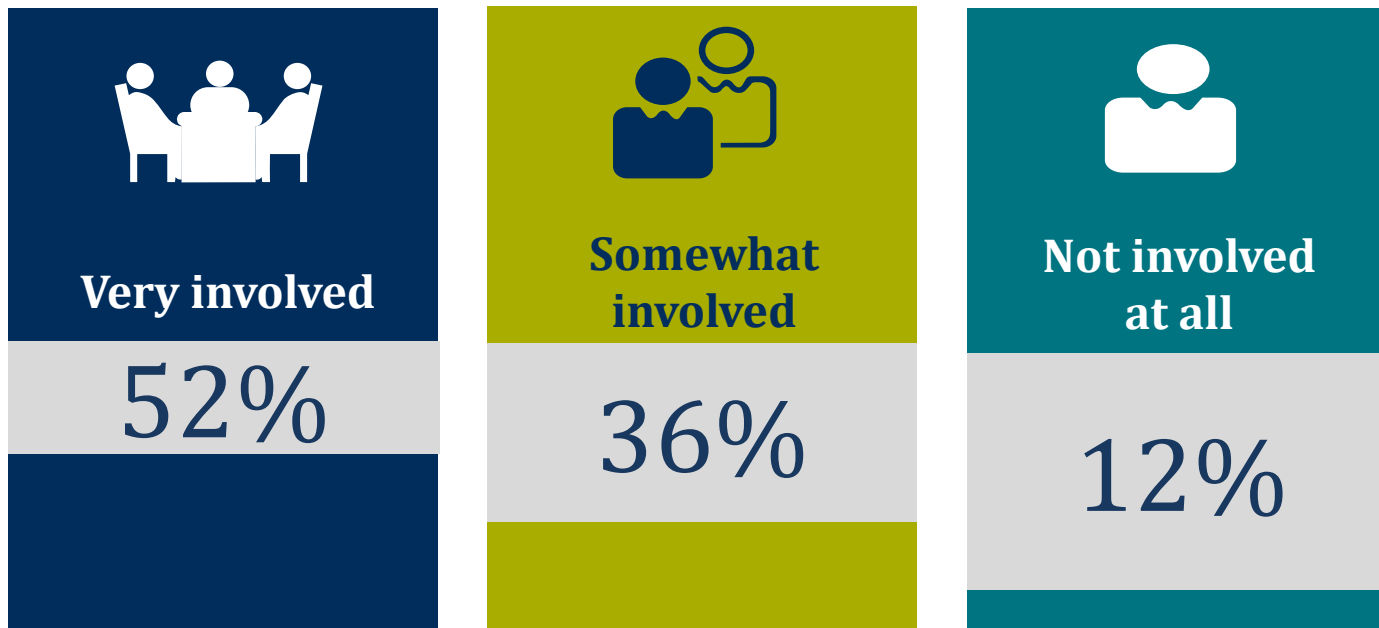


- ✓ Analyze the characteristics of your target audiences and segment accordingly.

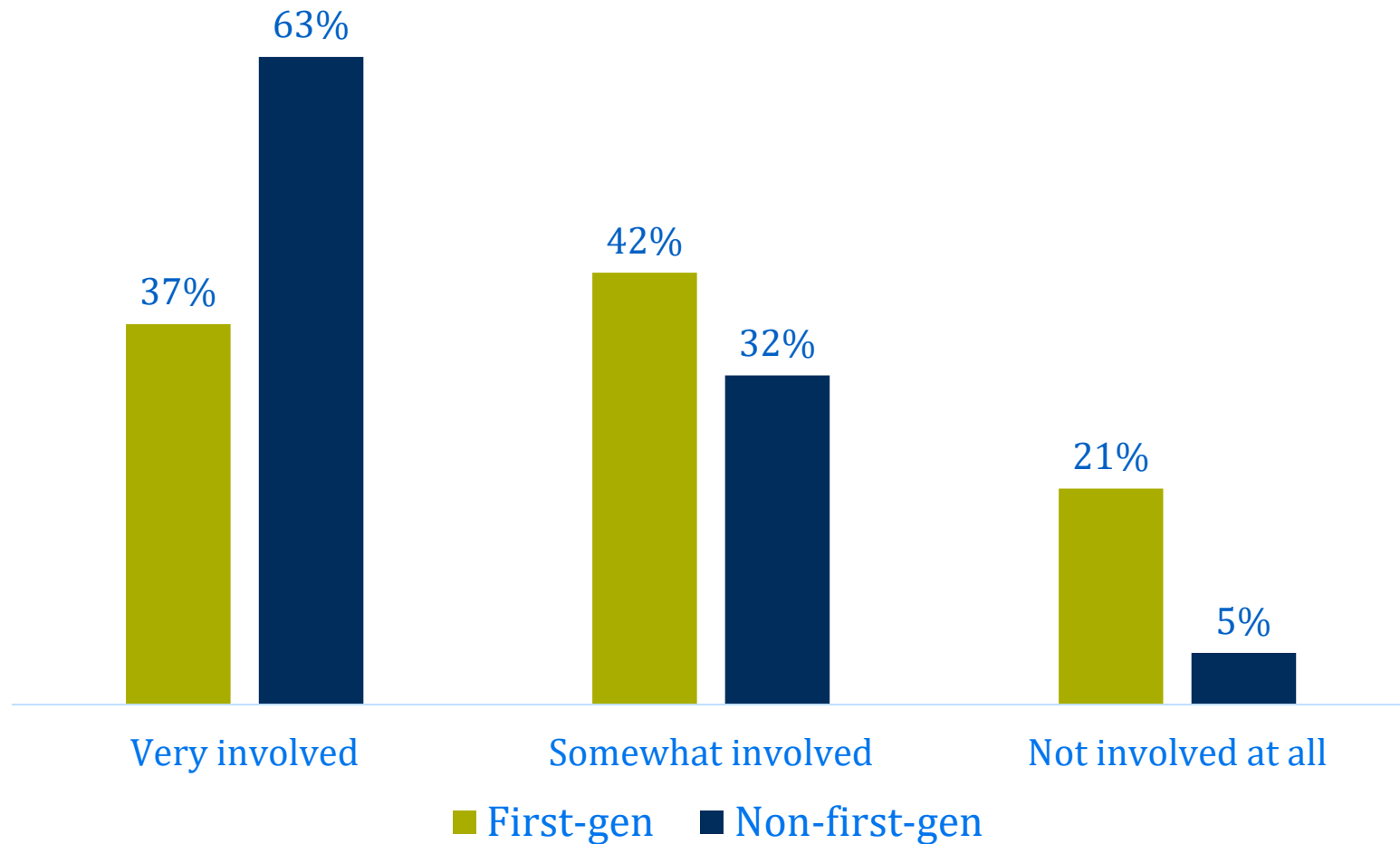
# 2

## Parental Involvement

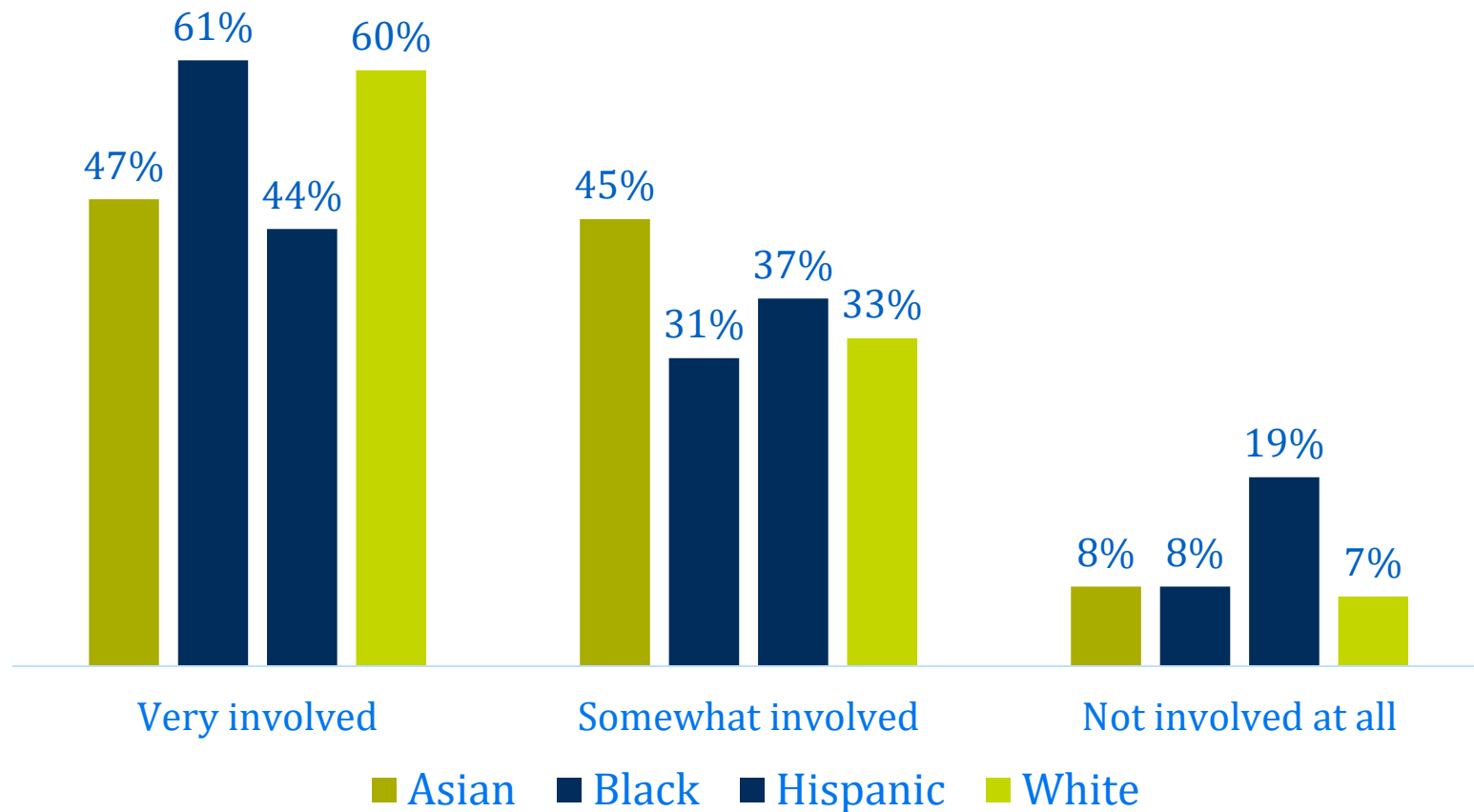
How involved were your parents with reviewing your financial aid award letter and/or college financing in general?



# Parental Involvement in College Planning and First-gen Status



# Parental Involvement in College Planning and Ethnicity





- ✓ Parental engagement is a must in today's environment. Institutions need to think about recruiting the parents along with the student. However, they also need to provide support for college-bound students whose parents are not involved in the financial aid process.



- ✓ Implement parental engagement campaigns regarding college financing early on in the college search process.



- ✓ Create sessions for parents during on-campus events to explain financial aid, address college costs, and review the payment options.
- ✓ Schedule phone or face-to-face meetings when possible to go over financial awards.



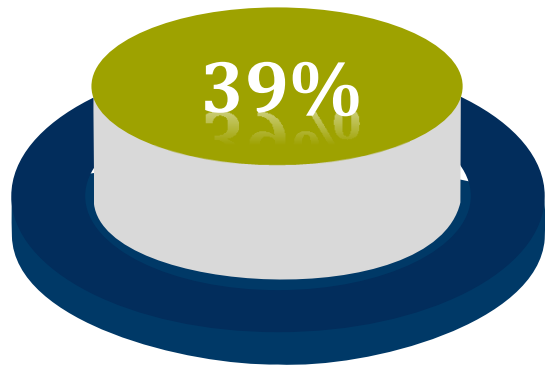
- ✓ Provide clear timelines for financial aid awards and payment scheduling—and communicate these to parents as well as students.

# 3

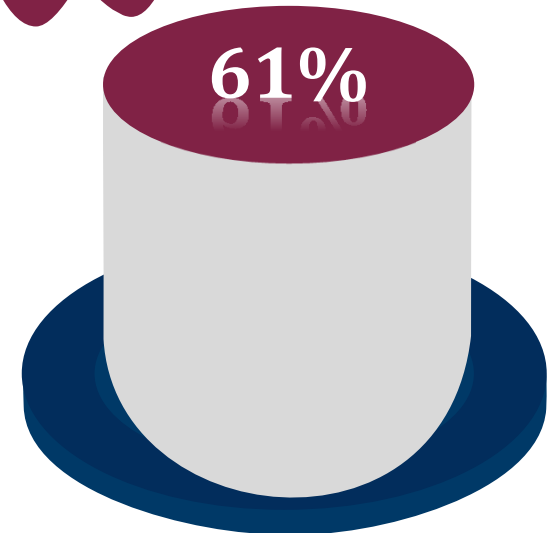
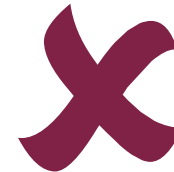
## Application Process



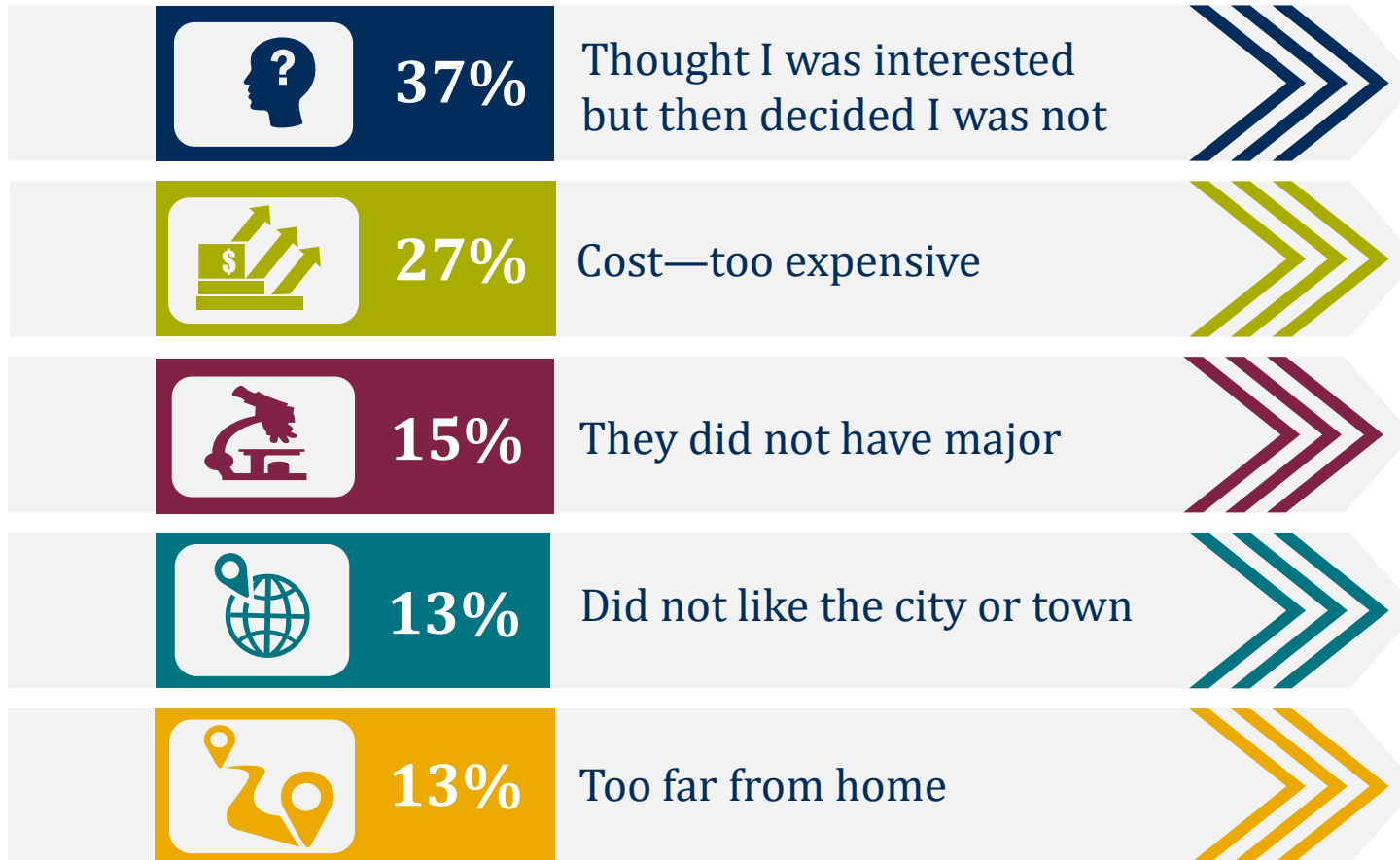
**Finished all  
applications  
started**



**Did not complete  
all applications  
started**



## Reasons not to finish an application





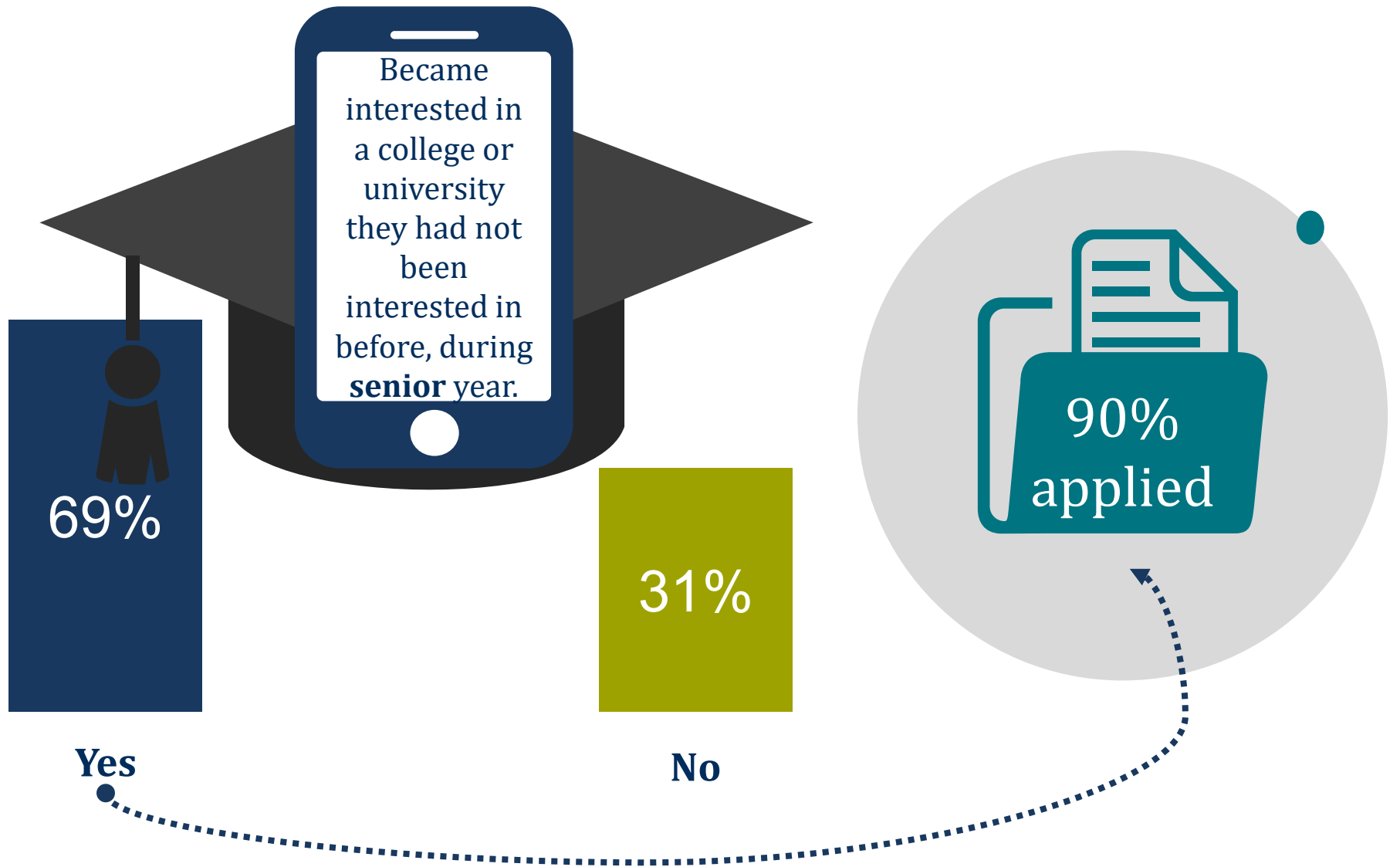
- ✓ Monitor the application completion process vigorously. Who is starting the process? Where are they in the process? Implement easy-to-follow steps to encourage completion.



- ✓ Send postcard reminders. A postcard series during the application process can help, as it allows others in the household to understand that this is underway. Schools can communicate the ability to partner with the family during the financial aid process.



- ✓ Make your net price calculator a click away. Your calculator can help lower the anxiety students and their families have around college financing. If they can see how much aid they are eligible for, they will be more encouraged to complete their applications.



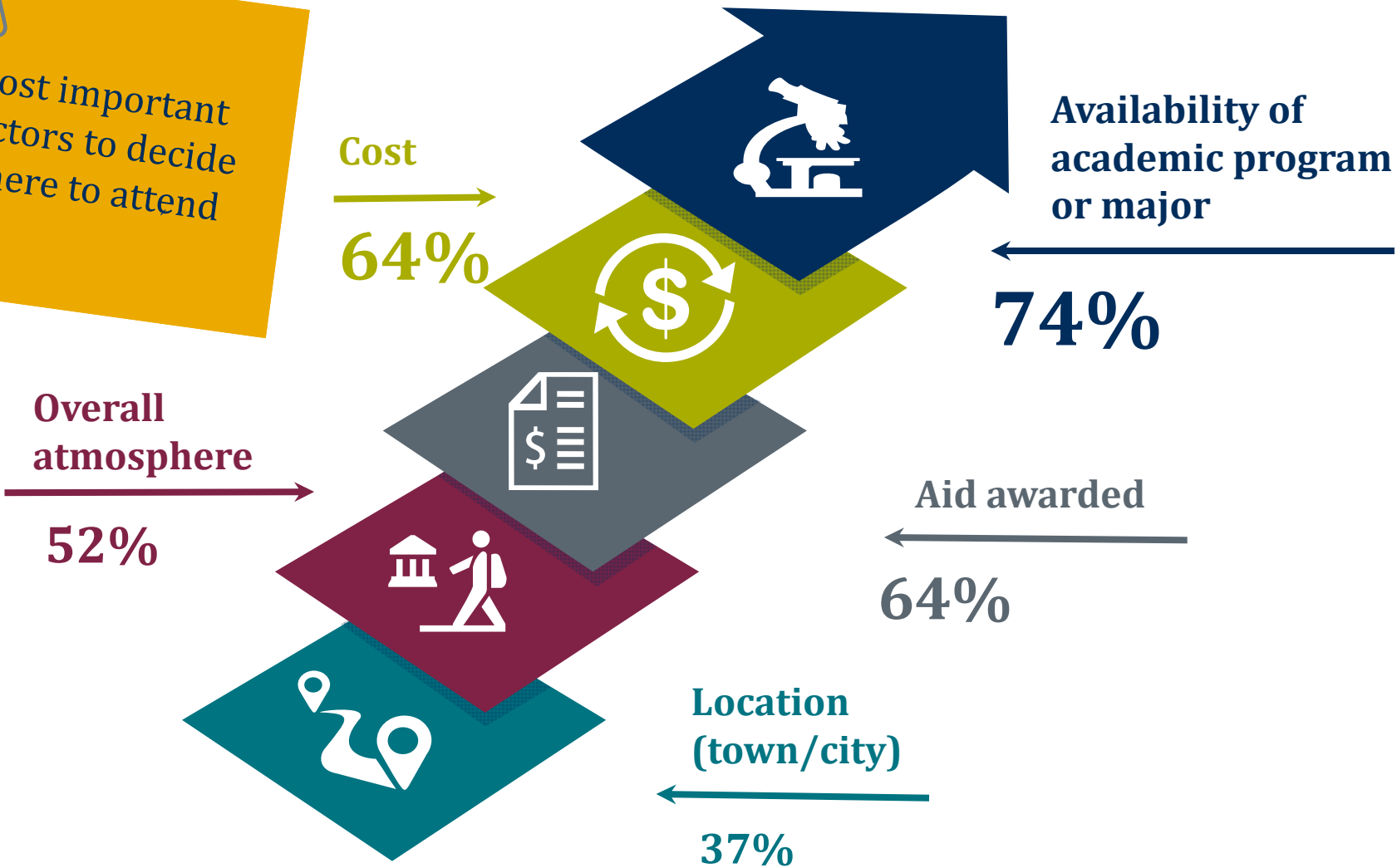


- ✓ Create a focused senior search program. As students are still adding new schools to their lists during senior year, it is important for institutions to consider a focused senior search program, as well as continuing to nurture non-responders. This is critical in order to identify students who will need help applying for financial aid.



- ✓ Engage seniors across multiple channels. New seniors may come from a variety of sources, so make sure your communications connect wherever they may be—digital ads in the websites they use, through social media, email, print, and more.

Most important factors to decide where to attend



## FIRST-GENERATION STUDENTS

Financial aid or scholarships I was awarded	<b>71%</b>
Cost	<b>71%</b>
Availability of my desired academic program	<b>71%</b>
Overall atmosphere	<b>47%</b>
I like where the college or university is located	<b>38%</b>
It's close to home	<b>35%</b>
Career placement	<b>25%</b>
Size	<b>20%</b>

Most important factors to decide where to attend

## NON-FIRST-GENERATION STUDENTS

Availability of my desired academic program	<b>76%</b>
Cost	<b>60%</b>
Financial aid or scholarships I was awarded	<b>59%</b>
Overall atmosphere	<b>56%</b>
I like where the college or university is located	<b>36%</b>
Size	<b>27%</b>
It's close to home	<b>26%</b>
Career placement	<b>22%</b>
Athletic programs	<b>21%</b>



- ✓ Consider ability and willingness to pay. Awards need to be optimized to address both need and what a student is willing to pay, so that you avoid under- or over-awarding students.



- ✓ Make financial aid information easy to access. Make your website intuitive, with financial aid just a click away from the homepage. Your net price calculator should be easy to find.



- ✓ Focus on messaging that highlights value vs. investment. Your communications should explain to students why your programs of study will make their investment worthwhile.

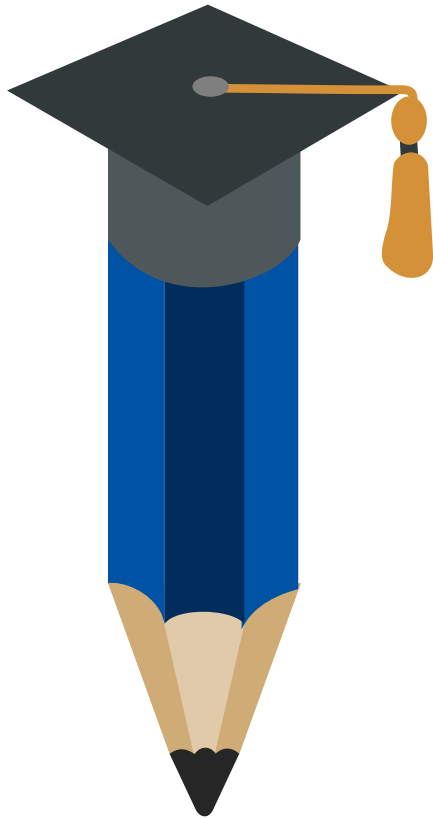


- ✓ Communicate clearly and concisely. Messaging around financial aid should be clear and easy to follow. Avoid using technical terms that students and parents may not understand.



# 4

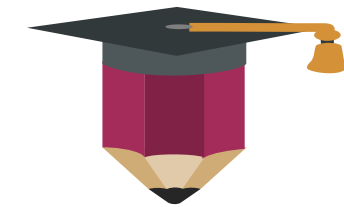
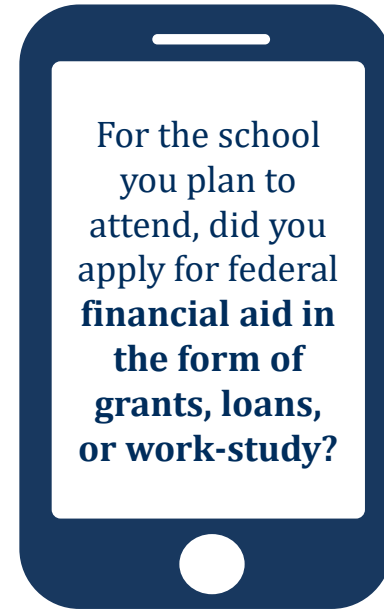
## Financial Aid



**Received federal  
aid  
72%**

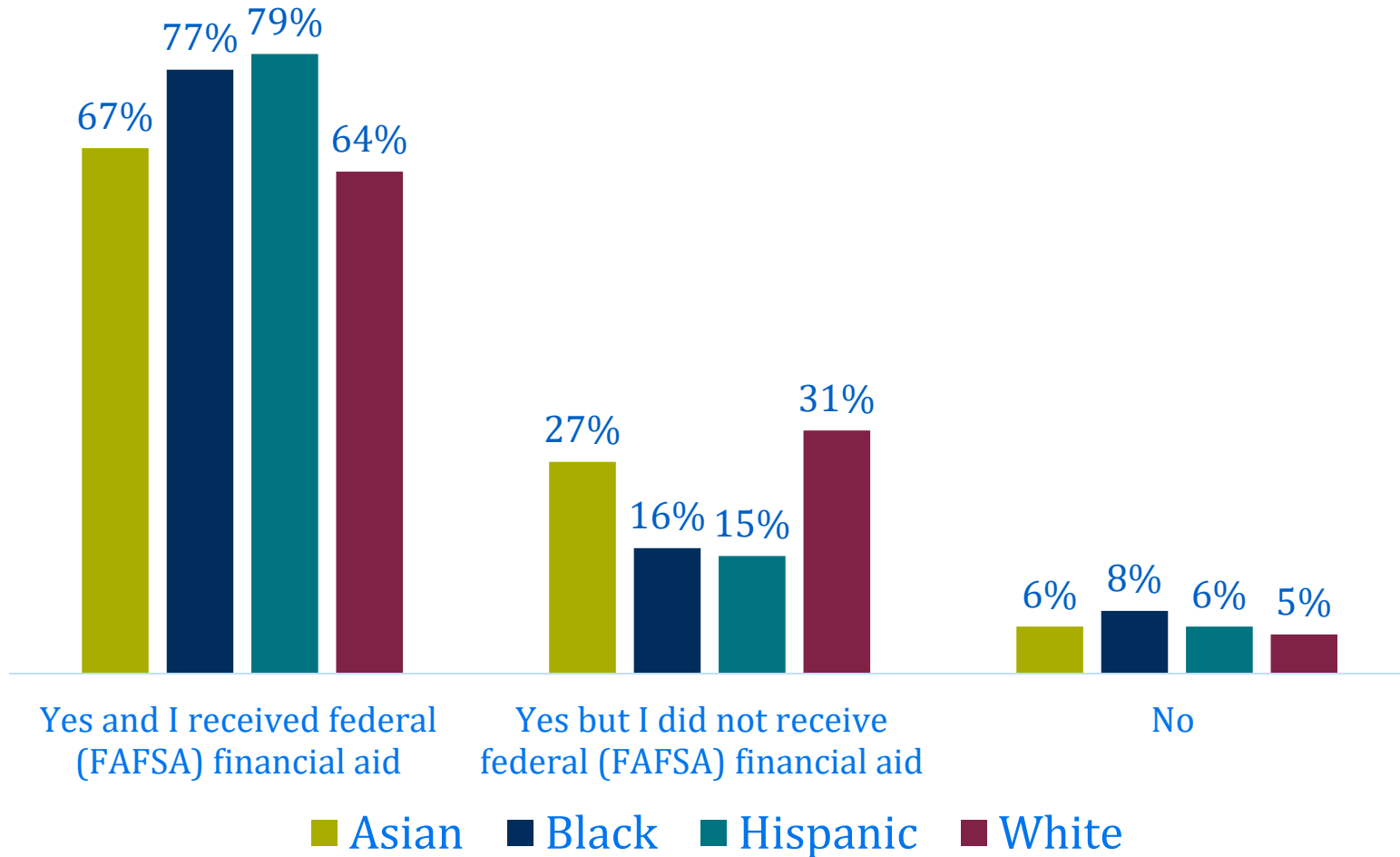


**Filed FAFSA but did not  
receive federal aid  
22%**



**Did not file FAFSA  
6%**

# Federal Financial Aid and Ethnicity

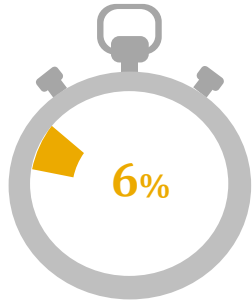




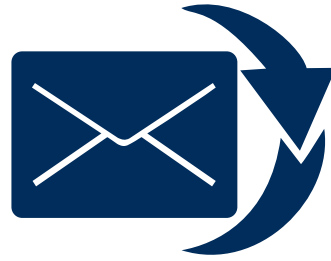
- ✓ Continuously remind students to fill out FAFSA applications. Stress that the benefits are critical. Postcard campaigns, reminder texts, and events/in-person sessions about FAFSA in addition to email are recommended.



- ✓ Strong messaging about affordability and value must be present in your communications flow. The aid package may help alleviate cost concerns, but students have to understand the value of an education from your institution.



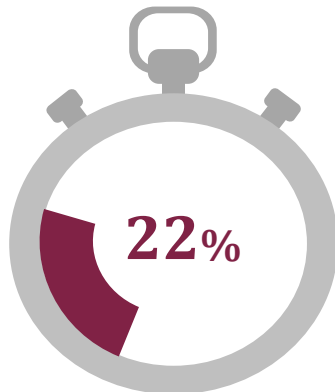
Before my admission notification/letter



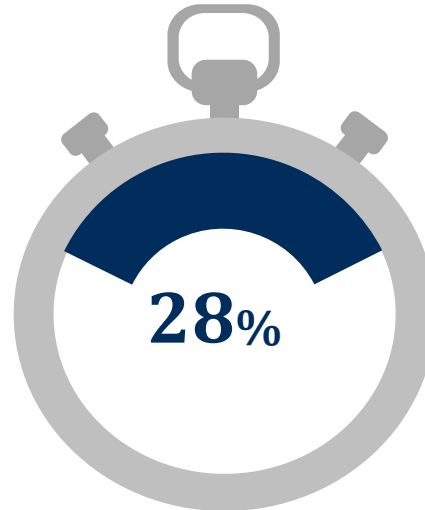
For the school you plan to attend, when did you receive your scholarship notification/letter?



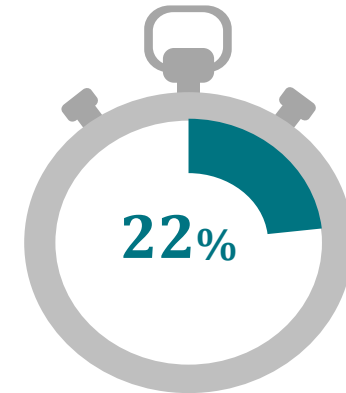
More than two weeks after my admission notification/letter



I never received it



With my admission notification/letter



One or two weeks after my admission notification/letter

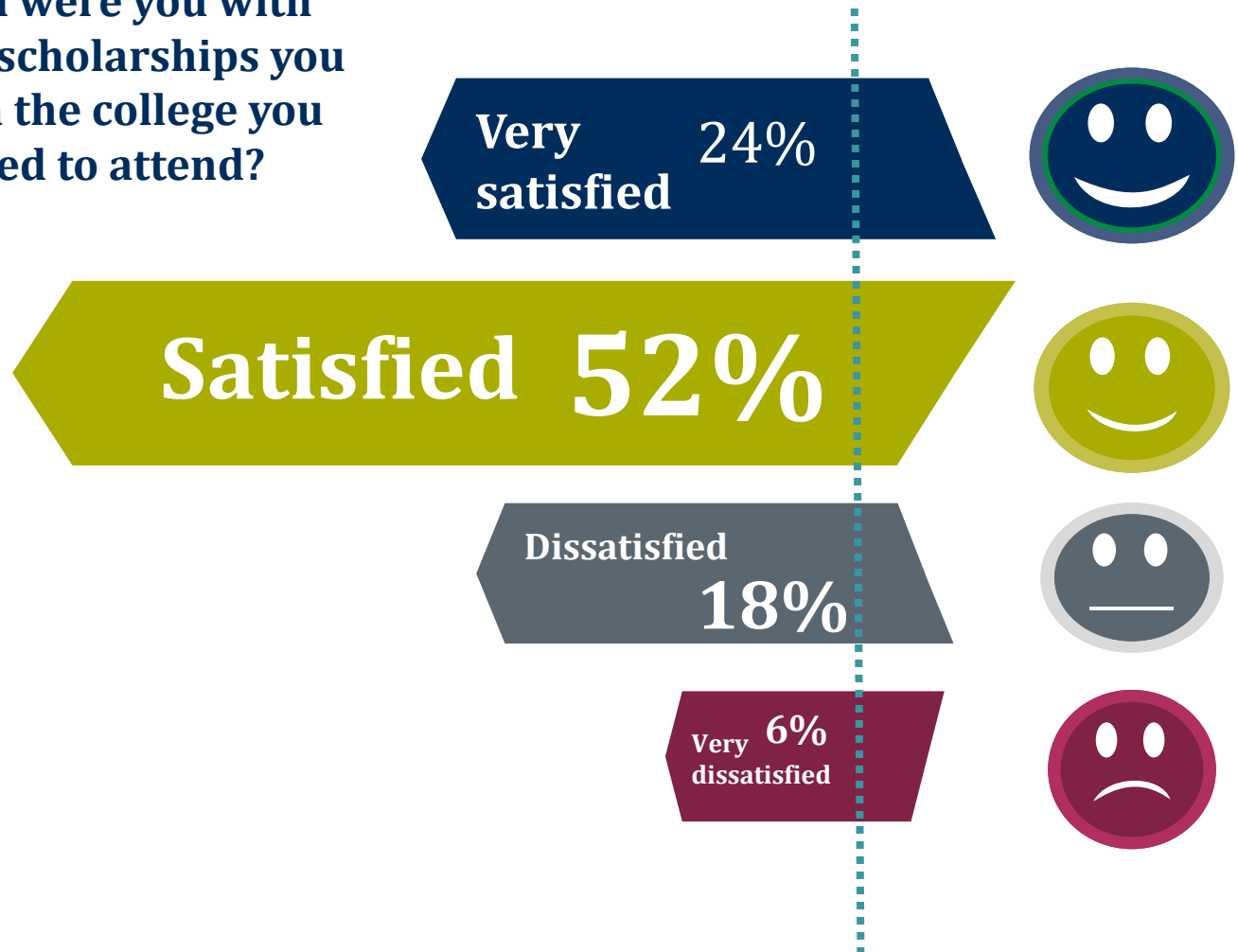


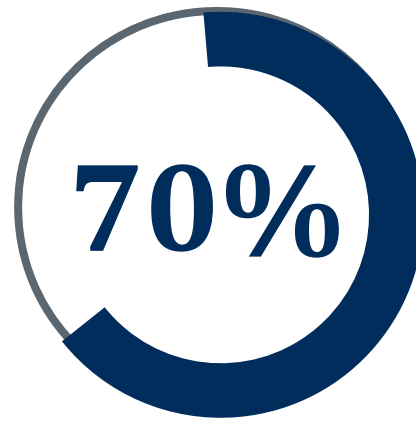
- ✓ With students applying to multiple institutions, your award communications will likely be compared to other institutions. Make sure yours arrive early enough to engage students and that they convey the value of your institution and academic programs.



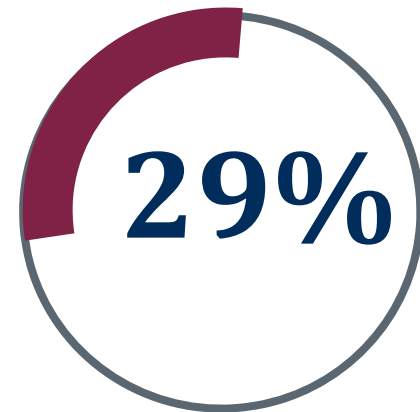
- ✓ Make sure your award package is accessible through an online portal with password access—then email the link. (This ensures security of student information.)

How satisfied were you with the amount of scholarships you received from the college you have decided to attend?





**Not yet**



**Yes**





- ✓ Have a strong value proposition. Are you addressing the needs and wants of students in a compelling way? How often is it communicated? Are you segmenting the messages?



- ✓ Have a well-balanced financial aid award strategy. Segment students based on financial and academic characteristics. Consider the impact of non-financial variables, assess the right level of need to be met per student, and allow for multiple scenario projections.



- ✓ Families are conditioned to appeal their financial aid offers, largely by the media. Having confidence that financial aid strategies are as sound as possible allows institutions to control expenditures and minimize negotiations.



- ✓ Monitor students' responses to award packages. Determine enrollment probability to guide staff priorities so that you focus your resources on students who are more inclined to attend your institution.

How much do you think you may borrow for your undergraduate degree?



**Not planning to borrow**



**Less than \$10,000**



**Between \$10,000 and \$20,000**



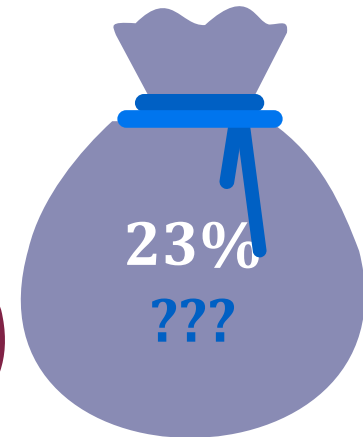
**Between \$20,001 and \$23,000**



**Between \$30,001 and \$40,000**

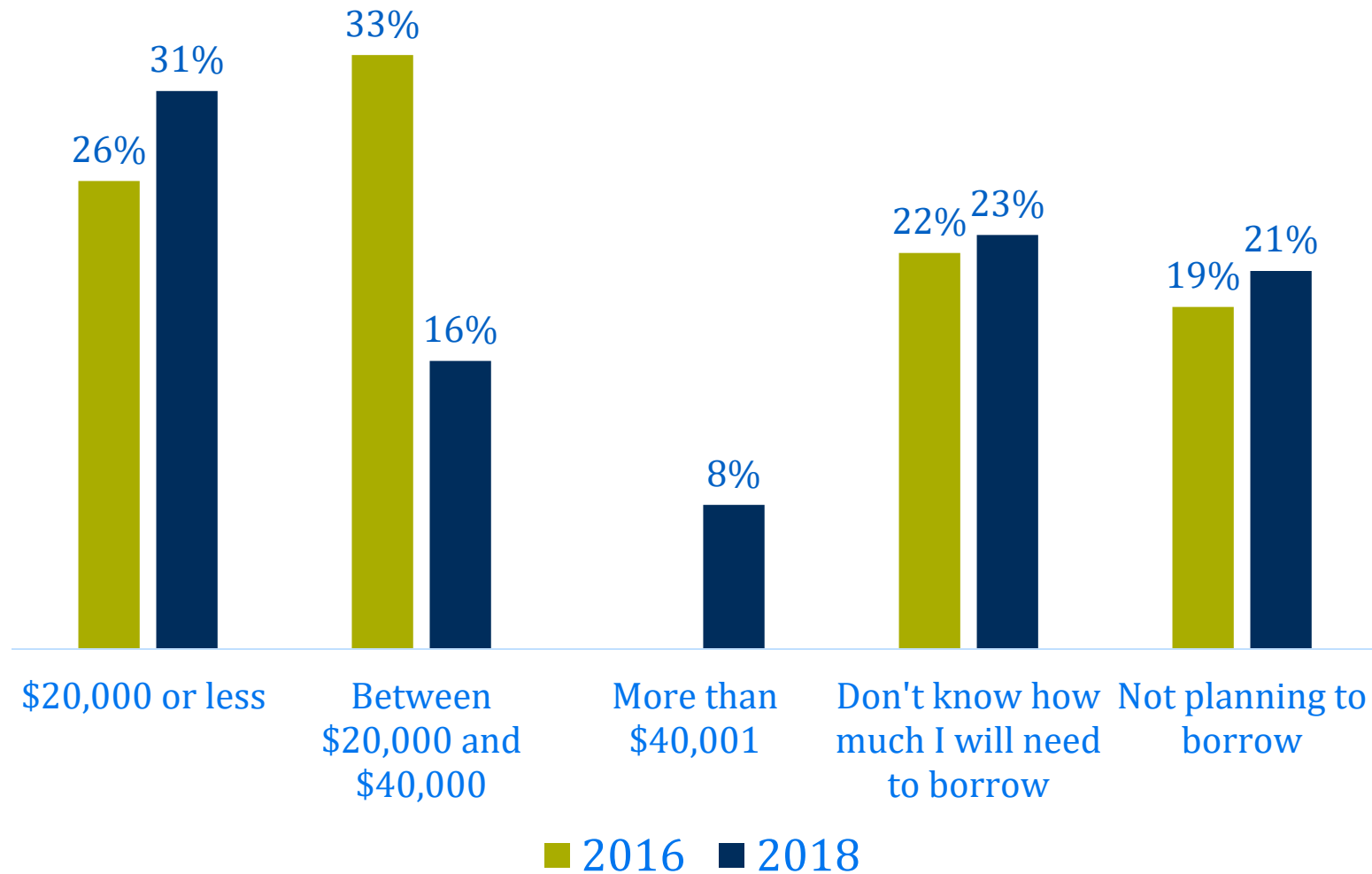


**More than \$40,001**



**I don't know how much I will need to borrow**

# Amount Students Expect to Borrow 2016 vs. 2018





- ✓ Give students the tools and resources they need to finance their educations. With nearly one in four students not knowing how much they will need to borrow, it's key to help them determine that amount (if any) as early as possible, so they can make an informed decision on borrowing.



- ✓ Position borrowing as an investment in the value of an education. Provide outcomes and data points showing the value of your education and the general value of a college education as ways to ease anxieties about borrowing.

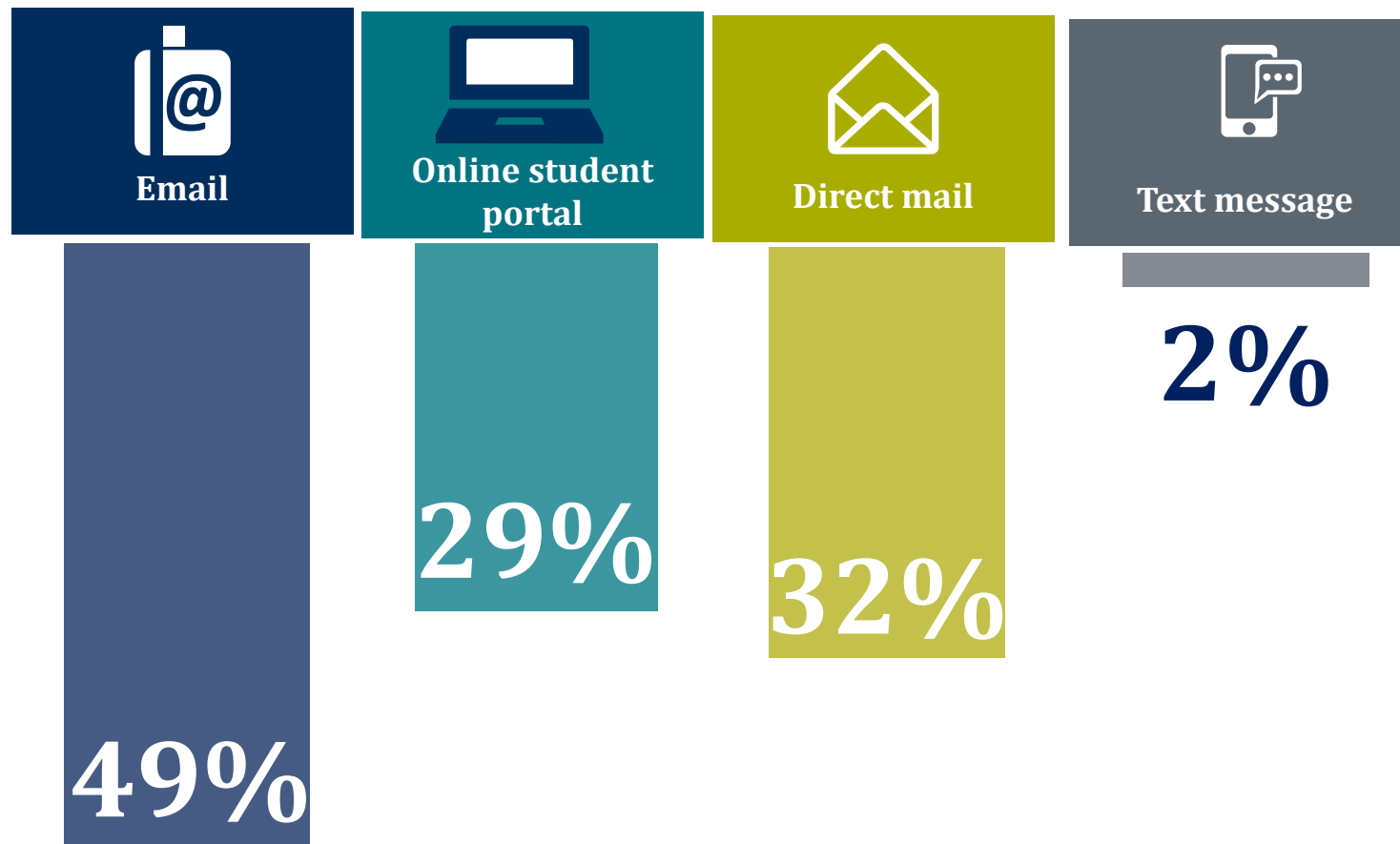


- ✓ Let students know average borrowing costs, if feasible. Given media coverage of students saddled with an alarming amount of debt, letting students know that borrowing may be reasonable and a good return on an investment may also help them feel less unsure about borrowing for college.

# 5

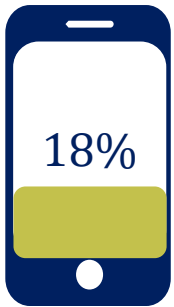
## Communication Channels

# How did the school you are planning to attend communicate your financial aid awards to you?





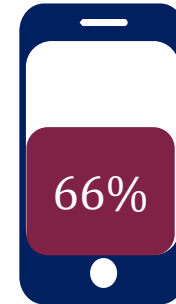
**Very helpful**



**Helpful**

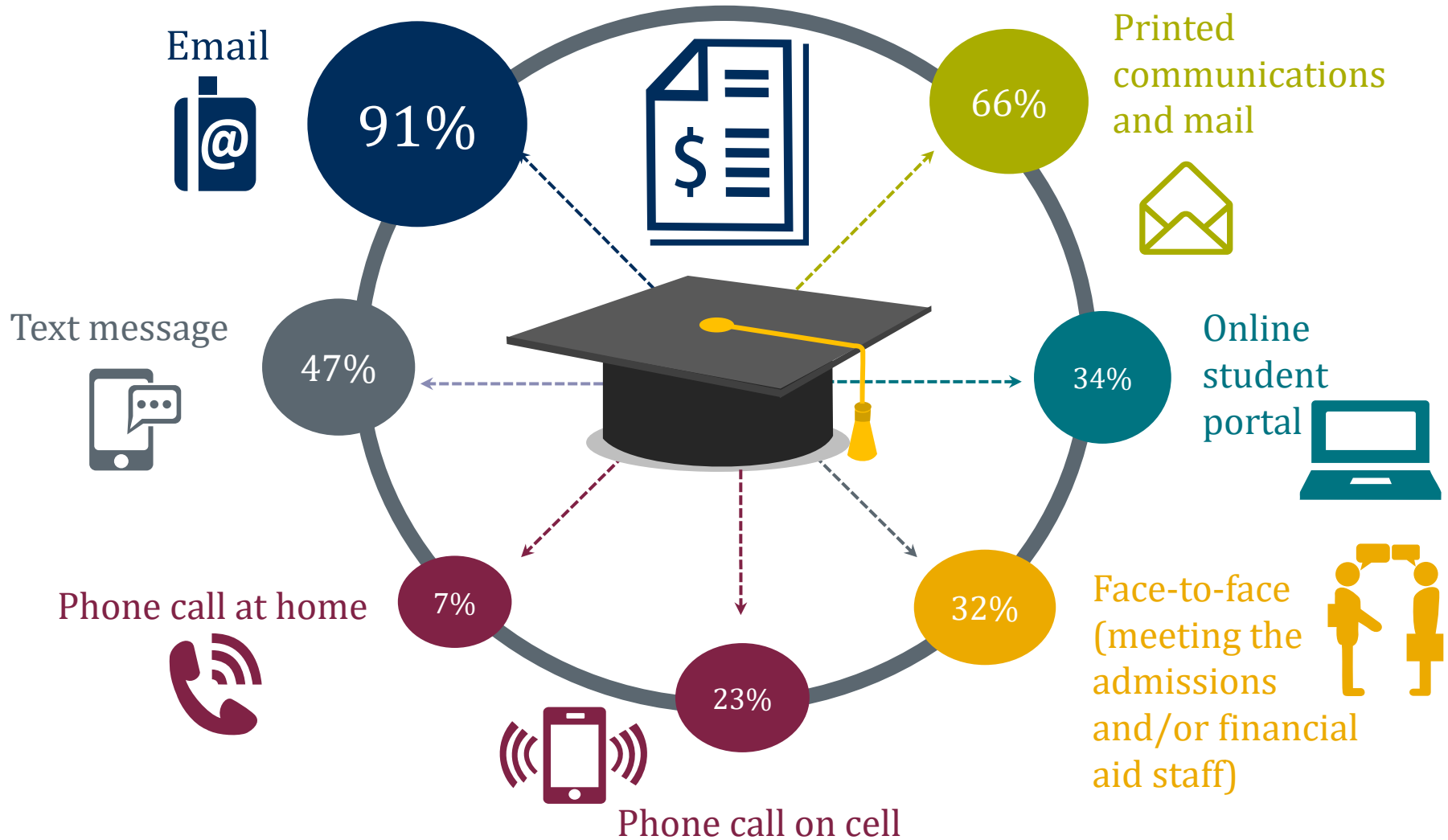


**Not helpful at all**



**Did **not** receive any phone calls regarding financial aid**

Please rank the following communication channels from 1 (your top choice) to 7 (your least favorite) to receive communication regarding your financial aid and scholarships.





# Best practices for financial aid communications:



- Use simple, easy-to-understand terminology
- Make sure to break down the types of aid being offered



- Clearly delineate cost information so that nothing is missed
- Include available payment options



- Provide a clear definition of terms—in case terms sound like jargon, be sure to explain
- Make sure to clearly outline the required next steps



**5 “MUST HAVES”  
TO KEEP YOUR  
FINANCIAL AID  
PROGRAM  
COMPETITIVE**

**1**

**MULTICHANNEL FINANCIAL  
AID COMMUNICATION**

**2**

**ANALYZE PRICE  
PERCEPTIONS**

**3**

**YOUR COST CALCULATOR  
NEEDS TO BE CUSTOMIZED**

**4**

**ENGAGE PARENTS**

**5**

**MAKE YOUR VALUE  
PROPOSITION COMPELLING**



# Thank you.

Wes Butterfield, Vice President  
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