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# The Vital Partnership Between the Financial Aid Office and Retention and Persistence

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# Agenda:

- Defining and understanding retention/persistence
- Why us?
- The top 6 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 2016

- Students entering school in the Fall of 2016 persisted (went to another school in the U.S.) at a rate of 73%
- Students entering school in the Fall of 2016 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  
FOOT

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

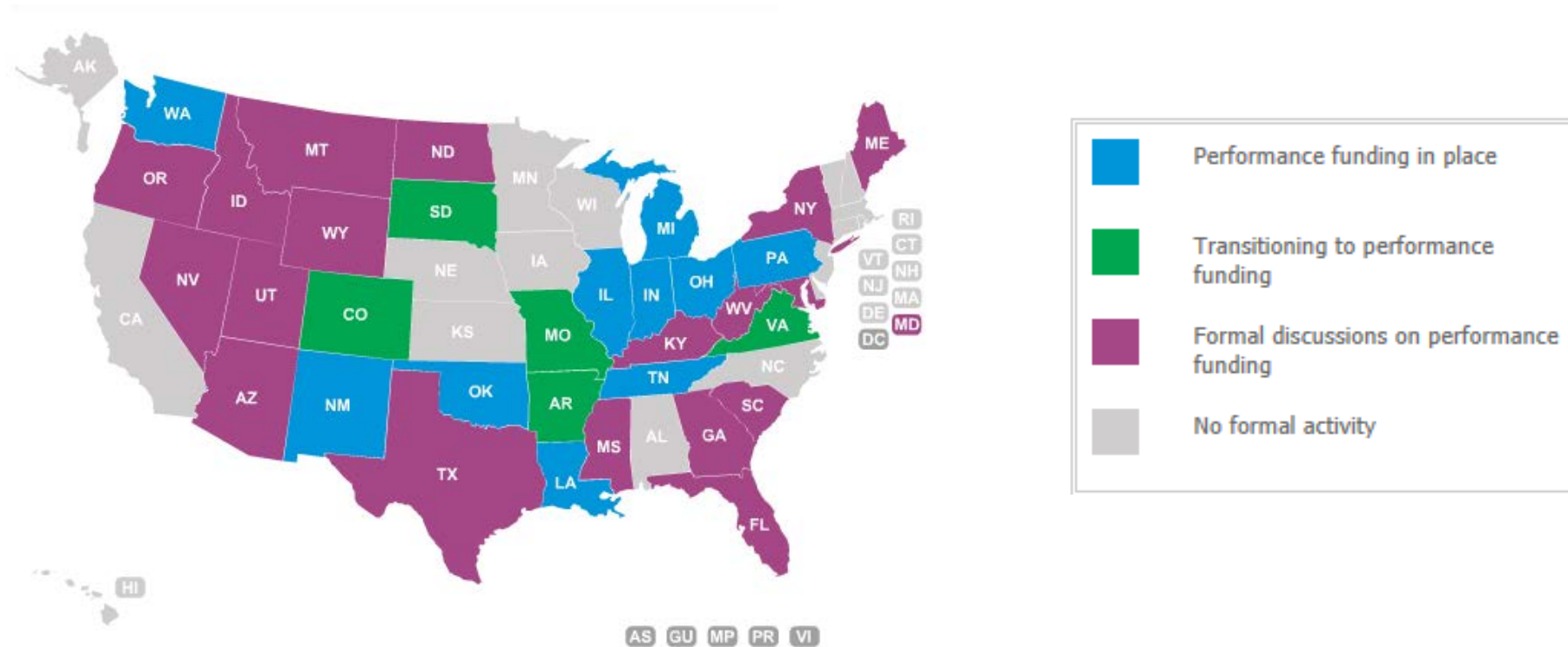
\*Source: Harvard. (2011)

## 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
- Connection
- “First Gen”
- Ignorance
- Communication

## The MONEY Issue

- College is expensive
- Families may plan for year one, but not for later years
- Parent unable/unwilling to help
  - Can student commute?
  - Can student consider part-time status?
  - “Trophy Society” – can FAO offer scholarship for doing well academically?
  - Can FAO implement an appeal process?



## 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
- Money may not be the main driver to improve retention rates

\*Source: Scannell, J. (2011)



# The Academic Issue

- Students not ready academically for college
- Students must meet SAP requirements to continue to receive aid
  - If SAP is not met, then no financial assistance
- Student wants to drop a course, communicate with other offices
  - Academic Success Center – to help keep on track academically
- If student is failing a course
  - Academic Success Center
  - Career Interest Test – Is student in the right major?
- Use an alert system – Starfish – Faculty communicates with Academic Success Center to indicate student is having trouble
  - FAO can be involved so they learn of students indicating financial issues

# The Connection Issue

- Retention requires a degree of connection between student and institution
- Enhancing connections between Financial Aid Office with academic faculty, advisors, and advocacy offices
  - Communicate to students there is assistance on campus. Notify others on campus regarding issues with students
    - Dean of Students – will get RAs to check on students
    - Housing Office or Dean of Students – If roommate trouble
    - Academic Success Center – If trouble in course
    - Counseling Center
- FAO help to get students involved
  - Through student employment opportunities?
  - At-risk committee or Retention team – is FAO involved?

# 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
  - Connect those students to other offices
  - Help students search for outside scholarships
  - Send scholarship requirements to students each semester
  - Have meetings – involve Advising, Career Services, etc.

\* Source: Musslewhite & Reeve, (2012)

\*Higher Education Research Institute, UCLA (2016)

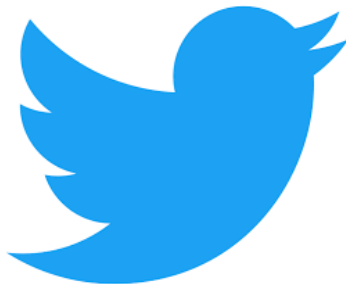


# The Ignorance Issue

- College students are generally mentored by their parents
  - Some parents did not complete aid process for themselves
- Lack of student and family knowledge of financial aid programs and the Financial Aid Office
  - Be available for Accepted Student Days & other Admissions events
  - Continually review website & materials to simplify information
- Start early! Educate!
  - High school financial aid nights
- Increasing outreach to middle schools for family financial planning
- Financial literacy campaign for new and continuing students

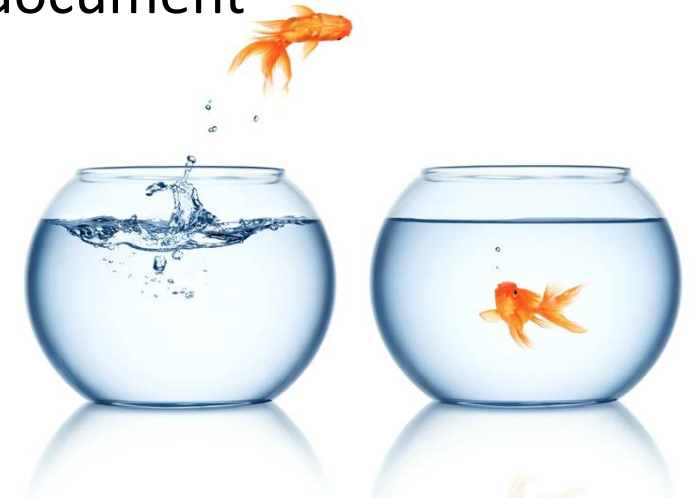
# The Communication Issue

- 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
  - Posts on parent Facebook page
- Have school's main Social Media site (official) send out status reports and tweets of important financial aid events and deadlines

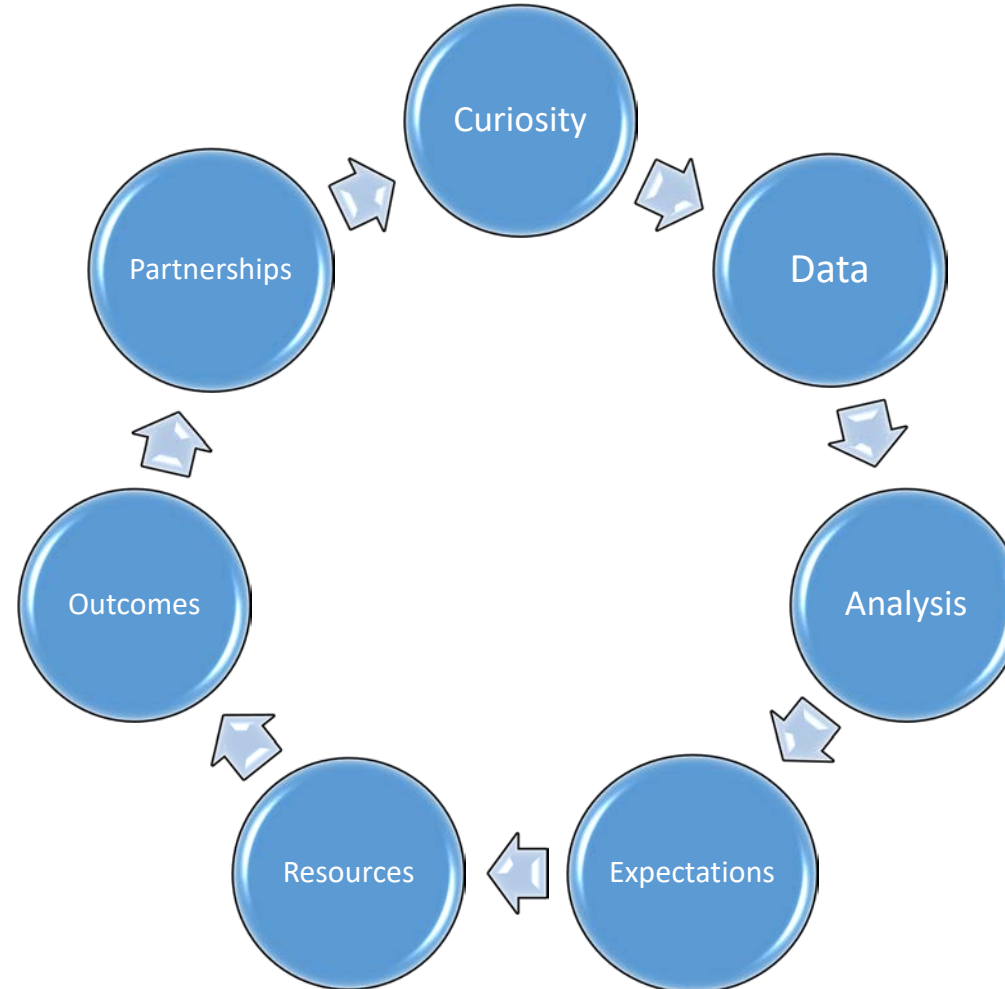


# Data is the KEY!

- 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)