

Using student financial aid to improve persistence & the quality of the student experience

SEM Summit 2010

Halifax, Nova Scotia

10:45-noon, April 27, 2010

Peter Dueck, University of Manitoba

Introduction



“It will not be until students are transformed into customers that new forces, ideas, and methods will be developed that will improve the effectiveness of individual learning while lowering the cost.

At that point the focus will shift from the zero-sum game student perspective (how do I get more money for my education?) to the productivity-based customer perspective (how do I get more education for my money?).”

— Bill Sams, Executive in Residence, Ohio University,
in a letter to The Chronicle of Higher Education, 2010 March 19

**“For every complex problem
there is an answer that is clear,
simple, and wrong.”**

— H.L. Mencken

Five primary SEM goals

- Improving market position & market demand
- Enhancing the academic profile
- Opening opportunity & improving diversity: economic, geographic, first generation, racial/ethnic, underrepresented, international
- Improving persistence & graduation rates
- Increasing net tuition revenue

Adapted from Hossler & Kalsbeek, *College & University Journal*, 83/4

Ex.1: Improving opportunity & diversity: increasing the enrolment of low-income & first generation students

- Targeted recruitment
- Special student support programs
- New staff?
- More campus-funded aid (integrated with government-based student aid) with front-end loaded non-repayable aid

Ex.2: Enhancing the academic profile

- Targeted marketing
- Academic programs like Honours Colleges
- Institution-funded targeted merit-based aid
- Value-added initiatives, like academic mentorships, research opportunities, etc.
- New staff?

Ex.3: Increasing net tuition revenue

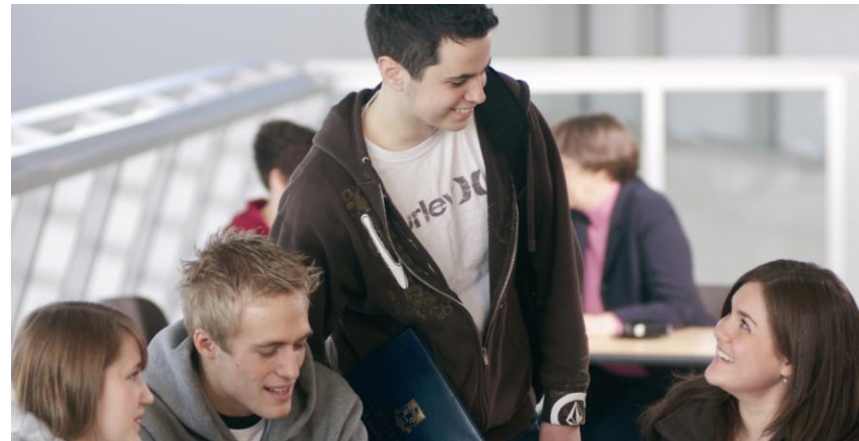
- Annual tuition pricing increments
- Financial aid leveraging: offering awards to students with little or no need on the basis of their reluctance to attend without inducement
- Recruiting & retaining students who pay premiums, like international students
- New staff? New resources?

Ex.4: Improving opportunity & diversity / improving persistence & graduation rates

“How do I get enough money for my education?”

- Student
- Parents/family
- Outside organizations
- Government/taxpayers
- Institution

Need Assessment & Aid Packaging



Need assessment & aid package

- Expenses — Resources = Need
- Need = Loans (60% federal + 40% provincial)
 - » + 10% institutional bursaries

A closer look at need assessment

Allowable Expenses

- Tuition
- Books & supplies
- Living costs
 - NL \$859/month;
\$6,872/session (2 terms)
 - MB \$929; \$7,432
 - NT \$1,292; \$10,336

Expected Resources

- Student savings
- Student assets*
- Parents/spouse
- Outside organizations
- Student in-course income*
- Institutional awards*

* Exempted amounts allowed

How much can I spend on living costs?

— if I'm single & living away from my parents —

- \$929/m; \$7432/y basic living allowance
- \$1141; \$9132 inc. \$1700 income exemption
- \$1154; \$9232 inc. \$1800 award exemption
- \$1366; \$10,932 inc. both exemptions
- Exemptions offer increases of living allowances of 23%, 24%, & 47% respectively

Based on 2009-10 Manitoba allowance rates & exemptions

Living allowance assumes expected resources are in place...

- If you're missing one or more of the expected resources, your living allowance will drop
 - Student summer saving (based on 80% of after-tax earnings minus monthly living allowance)
 - Parental contribution (based on income table)
- How much will monthly living allowance drop?
 - Amount of resource missing divided by 8 months
 - Eg., if parental contribution of \$4000 is missing, monthly living allowance drops by \$500

Sample need assessment

Assessed need: \$9,532

Allowable expenses

- Tuition \$5000
- Books & supplies \$1600
- Living costs \$7432
- **Total \$14,032**

Expected resources

- Student savings \$1400
- Student assets \$0
- Parents \$2600
- In-course income \$2000
minus \$1700 = \$300
- Institutional awards \$2000
minus \$1800 = \$200
- **Expected resources \$4,500**
- **Actual resources \$8,000**

What happens when institutions try to cover missing expected resources

Expected resources

- Student savings \$1400
- Student assets \$0
- Parents \$2600
- Outside organizations \$0
- In-course income \$0 minus \$1700 = \$0
- Institutional awards \$0 minus \$1800 = \$0
- **Total resources \$4,000**

Actual resources

- Student savings \$400
- Student assets \$0
- Parents \$600
- Outside organizations \$0
- In-course income \$0 (minus \$1700 = \$0)
- Institutional awards \$3000 (minus \$1800 = \$1200)
- **Total resources \$4,000**

Okay this year, but trouble ahead

- In this situation, the student's missing resources are covered exactly
- The student can spend the basic living allowance of \$929 each month, exactly
- But, because the institution's help of \$3000 exceeded the exemption by \$1200, the province recognizes a \$1200 'over-award' that will be deducted from next year's aid package!

Lessons learned

- Articulation between institutional aid and government-based student aid is critical
- Remember Mencken's dictum: sometimes the simple solution is the wrong solution
- Knowledgeable advice can often help prevent financial disaster for a student → withdrawal
- Know your student aid numbers!
- Communicate important numbers to students

Another student aid lesson:

Course-load vs. years in program

- Course-load rule: minimum 60% per term
- Years of eligibility rule: years of program plus 1
- Years to complete 4-year program at 60% course-load per term: 6.67
 - 120 credit hours/18 credit hours per year
- Course-load required to complete 4-year program in 5 years: 80%
 - 120 credit hours/5 years = 24/year

Institutional Aid Packaging



Leveraging ... an example

from Gottheil & Smith, Phoenix 2006

Student Quality Level	No Need	Low Need	Moderate Need	High Need
Low SAT/ACT	No aid	No aid	No aid	No aid
Moderate SAT/ACT	No aid	University grant	University grant	University grant plus Dean's Scholarship
High SAT/ACT	Merit scholarship	Dean's scholarship	Dean's scholarship	Presidential scholarship
Very High SAT/ACT	Merit scholarship	Dean's scholarship	Dean's scholarship	Presidential scholarship plus room waiver

Achieving the same results in Canada – maintaining perceptions of fairness

Merit/Need	No need	Low need	Moderate need	High need
Low achievement	No aid	No aid	No aid	No aid
Moderate achievement	No aid	University low bursary	University medium bursary	University high bursary
High achievement	Merit award / no bursary	Merit award / low bursary	Merit award / medium bursary	Merit award / high bursary
Very high achievement	Dean's award / no bursary	Dean's award / low bursary	Dean's award / medium bursary	Dean's award / high bursary plus residence bursary

Leveraging – the controversial way

Likely to attend / Achievement	Low achievement	Moderate achievement	High achievement	Very high achievement
Will attend	No aid	No aid	Low merit award	Medium merit award
Will probably attend	No aid	Low merit award	Medium merit award	High merit award
Undecided about attending	No aid	Medium merit award	High merit award	Very high merit award

Focusing on financial need – with academic achievement thresholds

Achievement / Need	No need	Moderate need	High need	Unmet need
Low achievement	No bursary	No bursary	No bursary	Unmet need bursary
Moderate achievement	No bursary	No bursary	Low bursary	Unmet need + low bursary
High achievement	No bursary	Low bursary	Medium bursary	Unmet need + medium bursary
Very high achievement	No bursary	Medium bursary	High bursary	Unmet need + high bursary

Financial aid toolkit for promoting persistence

- Emergency aid, especially loans
- Food banks
- Work-study
- General bursaries (i.e., need-based awards)
- Targeted bursaries (i.e., to meet SEM goals)
- Scholarships (i.e., merit-based awards)
- Targeted scholarships (i.e., to meet SEM goals)

Involving Deans & Development

- Develop a clear understanding of the SEM goals in each program
- Provide Deans and the Development Office with clear reports outlining current award programs
- Work with Deans & Development Office in developing templates for targeted award programs that align with SEM goals

Constraints on Targeting Awards



Targeted awards & human rights law

- Senate policy: Non-acceptance of discriminatory awards at uManitoba
- “As a matter of principle, the University of Manitoba will not administer any new [award] that discriminates on the bases of the 'applicable characteristics' enumerated in ... the [Manitoba Human Rights Code](#) (proclaimed in force December 10, 1987, and as amended from time to time).”

Applicable characteristics under the Manitoba Human Rights Code

- a) ancestry, including colour and perceived race;
- b) nationality or national origin;
- c) ethnic background or origin;
- d) religion or creed ... ;
- e) age;
- f) sex, including pregnancy ... ;
- g) gender-determined characteristics ... ;
- h) sexual orientation;
- i) marital or family status;
- j) source of income;
- k) political belief, political association or political activity;
- l) physical or mental disability ...

Targeted awards & human rights law

...continued

- “Exceptions are occasionally warranted when it can be demonstrated that systemic discrimination may exist that results in the under-representation of identified sub-populations in Manitoba and/or when the proposed award has as its object the amelioration of conditions of disadvantaged individuals or groups, including those who are disadvantaged because of any applicable characteristic referred to in subsection 9(2) of the [Manitoba Human Rights Code](#). Any exception to this principle shall be made only with the consent of the unit concerned, the Senate Committee on Awards, and the Senate. A request for such an exception shall be indicated by the Committee on Awards.”

Targeted awards & human rights law

...continued

- To be eligible for a targeted award, the proportion of the identified population at the university must be shown to be less than 80% of the group's population in Manitoba
- Or, systemic discrimination must be shown
- Eg., awards for women in the physical sciences can only exist if they number less than 40% of the students in these programs (80% x 50%)

Targeted awards at uManitoba

- Under this policy, targeted awards exist for:
 - Aboriginal students in many programs
 - Single parents
 - Female students in Engineering
- Theoretically, targeted awards could exist for:
 - Male students in Nursing, Dental Hygiene, etc.
 - New immigrants

Know Your Numbers



By the numbers:

government–based financial aid

- Living allowance rate (per month for single student living ‘away from parents’)
- Federal/provincial exemptions for in-course income and awards (merit-based and need-based)
- Debt-load for institution’s graduating students
- Default rate of institution’s former student aid recipients; designation now depends on this

By the numbers: target student populations

- Student aid recipients vs. all others
- Institutional aid recipients vs. all others
- Aboriginal students vs. all others
- International students vs. all others
- Other sub-populations vs. all others

By the numbers: in-course withdrawals & year-to-year persistence:

- Voluntary withdrawal rate
 - f/t to p/t & complete drop-out
- Year-to-year continuation or persistence rates

By the numbers: academic achievement

- Graduation rates (at 4, 6, & 8 years)
- GPA at three points:
 - After first two terms (correlated with admission average? by high school?)
 - In-course: after 30+ credit hours but not graduating
 - At graduation

Discussion



How do you use the tools available in your Financial Aid & Awards Office to improve student persistence and student success at your institution?