

FINANCIAL AID

Optimizing Financial Aid and Maximizing Enrollment

by Matthew J. Johnner, Global Financial Aid Services, Inc.

The Problem and the Opportunity

Every day we hear how postsecondary education is playing a critical role in keeping America competitive in the increasingly global marketplace. Add the fact that the baby boomers will soon leave the workplace, and it is easy to see why increasing our college student population is more important than ever. Significant numbers of college graduates are needed for non-service positions with excellent career potential. As experienced baby boomers leave the workplace they will do so in large groups, which will trigger the promotion of current mid-level employees in small and large companies around America. This trend will leave a vacuum of mid-level and entry-level employees. In Texas alone, over 600,000 new graduates will be needed by 2016 just to serve the growing state economy; similar statistics exist in other states. Today, there are many exceptional higher education

policy analysts studying this issue. Though there are several excellent solutions, one stands out as having the greatest ability to improve college enrollment.

The American Council on Education statistics show that 50% of prospective students that do not attend college do not because of a perceived inability to afford it. The key word is *perceived*. In the 1999-2000 academic year, over 8 million students failed to fill out the Free Application for Federal Student Aid (FAFSA). Last year alone, 1.5 million low-income students that would have qualified for a Pell grant did not apply. These statistics outline both a problem and an opportunity for college and university leadership and policy makers.

The problem is that a large group of prospective students are not attending college each year. These are often non-traditional students or students from under-represented groups. The opportunity is that 50% of prospective students that do not attend college do not for one reason, financial aid. This means that a concentrated and effective effort toward improving financial aid counseling and administration can yield meaningful improvements in enrollment. Sounds simple; however colleges and universities are undergoing a difficult period with challenges. They are faced with:

continued on page 31

The Industry Leader in Complete eLearning Outsource Solutions



eCollege Supporting your Success
2005 CCA ALLIED PLUS MEMBER

For information about how eCollege empowers the success and profitable growth of high-quality online programs, visit www.eCollege.com.

- Changing student demographics (e.g., non-traditional students)
- Competing strategic demands: faculty, curriculum, research, and access
- Budget cuts
- Calls for improved cost accountability
- Lack of specialization

Solving the Problem

Several colleges have begun an effort to use in-house resources while others have outsourced this initiative to specialists in front office financial aid administration. Regardless of what option a college takes, the first step is to understand the prospective student population that is being left out. Who are they? Are they aware of financial aid options? Do they know where to go to learn about financial aid? When does their daily routine allow them to find out more? Do they think all aid options are loans that have to be repaid? Are they fearful to call and ask questions?

The next step is effectively delivering the right message at the right time in a repeatable and repeated way. Given the number of prospective students you need to reach, it is

important to build a 'repeatable' solution. A repeatable solution is one that uses people, process, and technology assets to proactively communicate with prospective students in a consistent way so there is minimized human administration. Human interaction should be reserved for the actual conversations and guidance at critical junctures. Human interaction should not be used for determining when to call, what the call is about, or dialing the student. Most importantly, the first time the student should interact with the financial aid department is when the institution is calling them. It is important to recognize that many students need help at various stages. It is also important to recognize that 'speed wins'. The faster a student can be packaged, the greater the likelihood that the student will attend school. This is because the interest level remains high and the award letter explains the means to afford his or her college education. Speed is also important in competitive environments. In the case of a student that is evaluating two equally strong colleges, the advantage will clearly go to the college that has an award package in front of the student first.

The Result

Institutions that proactively and repeatedly provide awareness of financial aid options available to them will convert more prospective students into actual students.

continued on page 32



Happy students. **Your own online bookstore.**
A new revenue stream.
No more textbook headaches.

When you want it all, turn to Specialty Books.

As your partner, we'll develop a customized virtual bookstore for you and provide comprehensive textbook and course materials ordering, inventory, and shipping service tailored specifically to your program—all at *no cost*. Plus, we pay you a commission on every order!

With 24/7 online ordering, guaranteed stocking levels, easy returns, online buybacks, and a 99.9% delivery accuracy rate, we'll keep your students smiling.

Specialty Books
Your Virtual Bookstore Partner

Make the right choice!

Only Specialty Books offers a comprehensive course materials fulfillment program, plus flexible, personalized development and management services.

Get our "What to look for in a virtual bookstore partner" checklist to compare for yourself.

Order online at:
www.specialty-books.com
Or call 800.446.1365 x224


Specialty Books, Inc.
A subsidiary of Nebraska Book Company



Checklist

Not sure if you are effectively servicing this under represented market? Try answering some of these questions. Then ask yourself if the answers sufficiently support this specific population.

1. Do you proactively provide financial aid counseling?
2. Do your admissions officers set a financial aid call time with the student?
3. How much time does your staff spend on determining when to call a student?
4. On average, how many financial aid calls or emails are sent to a prospective student?
5. Is financial aid available after 7:00 p.m. local time?
6. Is financial aid available on the weekends?
7. Do you have bilingual financial aid counselors?
8. If there is inactivity in the financial aid application process, how do you know?
9. Do you have technology to proactively reach out to students at critical junctures of the aid process?
10. Do you have technology to deliver consistent messages based on the type of inbound or outbound financial aid call?

The Path to Change

Organizations that have effective financial aid strategies will benefit from improved enrollment, improved financial aid cash flow, improved retention, and improved state and federal funding.

If you have read this far, then you believe that effective front office financial aid counseling and administration solutions are positive steps for your college. The next step is to search for leaders in your organization and from outside that can help your institution reach out to this underserved population. Then you can start optimizing financial aid and maximizing enrollment. ●

Matthew J. Johnner is vice president of sales and marketing for Global Financial Aid Services, Inc. in Gulfport, Miss.



Different needs,
one place to turn.

Whether they're full-time, part-time, pursuing a degree or simply taking a class, Sallie Mae and SLM Financial are committed to helping America's growing number of students. Our federal Stafford loan, parent PLUS loan and private Career Training Loan™ provide affordable financing for students enrolled in technical training, trade school, distance learning, or a continuing education program.

- **Easy application process** with online credit pre-approvals
- **Flexible terms** allow students to pay for their tuition and other education-related expenses
- **High approval rates** make more students eligible
- **Industry-leading Sallie Mae servicing**

Learn more at www.salliemae.com
or www.slmfinancial.com

SLM Financial

SallieMae

© 2006 Sallie Mae, Inc. All Rights Reserved. The Career Training Loan is a private, credit-based loan and is not federally sponsored or guaranteed. SLM Financial Corporation, the SLM Financial Corporation logo and the Career Training Loan are service marks of SLM Financial Corporation. Sallie Mae is a registered service mark of Sallie Mae, Inc. Sallie Mae, Inc. is a wholly owned subsidiary of SLM Corporation. SLM Corporation and its subsidiaries are not sponsored by or agencies of the United States of America.