

Financial Aid Strategies for Maximizing Distance Learning Enrollment

Speeding up the process for potential online students.

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We live in an era of great uncertainty for many in our workforce. At this moment, entire industries are being impacted by technological advances and the emergence of low-cost labor markets. Traditionally "safe" entry-level careers such as customer service, call center, and back office processing are ceasing to exist with the exception of specialized niche markets, where high-level skills and proximity to the client are important.

Service-level jobs are becoming a predominant growth sector. Though these are valuable to the economy, they are often accompanied with modest pay, no or modest benefits, and limited career advancement opportunities. The areas of greatest growth and opportunity are skilled positions that require college or university degrees. It is more important than ever for institutions of higher education to offer a path toward career advancement and personal achievement that accommodates traditional and nontraditional students. Early adopters of the distance learning delivery method have been the career colleges and for-profit colleges. However, as access to college is a core strategy for state-sponsored IHEs, we are seeing more two-year and four-year degree programs being offered from the "local" players.

[Financial aid counselors should reach out to prospective students through the enrollment application and explain the financial aid options that are available.](#)

As the market expands, it is crucial to understand how to best serve distance learning students and thereby grow enrollment. The first step is to understand the demographics of the various types of distance students. A large segment of the population impacted by technology changes and low-wage offshore outsourcing are working adults. Others taking distance learning classes are doing so in a hybrid model that combines campus-based instruction with distance learning. Participants in a hybrid model can be either the 18- to 22-year-old market, or the "nontraditional" working adult market. Some distance learning is part of a degree program, while other distance learning is not. Some distance programs are eligible for Title IV federal financial aid, while others are not. Regardless of the type of student, several factors remain the same:

Students take classes online or in remote delivery locations.

Distance learning is increasingly competitive.

National IHEs can compete with "local" IHEs.

Students need more flexible student services with expanded support hours and more online access to enrollment and financial aid processes.

Students often perceive college as not affordable.

"Speed to start" wins in a competitive environment.

These factors set the basis for why the key to maximizing distance enrollment is through optimizing financial aid. An IHE can have the best programs, best instructors, and best brand, but without a best-practice people, process, and technology approach to financial aid administration, they may lose to the IHE that does a better job explaining financial aid options and processing applications so they become financial aid awards.

Maximizing Distance Enrollment through Financial Aid Best Practices

Key 1: Proactive vs. Reactive

Statistics from the American Council on Education show that 50 percent of prospective students who do not attend college cite a perceived inability to afford it. This sets the basis for the first part of optimizing financial aid; the financial aid process must be proactive and reach out to prospective students. This is important for any type of financial aid student, but often more effective for underrepresented groups that have not had as much access to affordability counseling.

Financial aid counselors should reach out to prospective students through the enrollment application and explain the financial aid options that are available. Unfortunately, most schools have limited resources and may therefore only send an enrollment packet and follow up with one or two phone calls to the prospective student. This does not work in an increasingly competitive online market. It is important for the IHE to have an approach that includes people and technology in order to reach out to the prospective student.

This process should include repeated contacts via telephone and e-mail, so that the IHE can successfully engage the student, create awareness, and understand unique questions. The contact should have a call to action for the next step, such as completing the online financial aid application or the online enrollment application.

Key 2: Team Approach

To achieve the best results, the Financial Aid department should work as a team with the Enrollment staff. Enrollment should have a clear hand-off to Financial Aid. Even the best financial aid counselors using the best technologies and processes will run into prospective students that do not engage, so there should also be a clean hand-off of "nonresponsive" students back to enrollment. Some IHEs use a "save team," while others send the prospective student back to the original enrollment counselor to reengage. The Enrollment and Financial Aid departments should communicate frequently and have documented roles and responsibilities.

Key 3: Online Automation

Distance students by nature are more comfortable using online tools. It is important to use online applications, document imaging, auto-notifications, auto-awarding, auto-letter generation, and other features. Effective online automation can drastically cut enrollment cycle times. Effective online processes also keep track of continuing students for repackaging in a new award year. Repackaging automation eliminates delays and helps retention rates.

Key 4: Be There

Distance students can take classes from various locales, often several time zones away. Compound this with the nontraditional students who cannot call the financial aid office until after work, and the result is a need for an expanded-hours financial aid help desk. Essentially, someone needs to "be there" when any of these potential students need help. Telephone and fax numbers should be clearly posted on the online applications in case questions arise regarding the institutional financial aid application, the Free Application for Federal Student Aid (FAFSA), or other parts of the process (e.g., sending missing documentation). There should be documented internal service levels on the percentage of calls that are answered within a certain number of seconds. There should be corresponding metrics on the number of calls that go to voice mail and the service level for how fast a student will be called back. Many schools have peak period scalability issues, which can be alleviated with aggressive outbound call campaigns to reduce the number of students calling in. Proactive calling also allows the school to identify when a bilingual counselor should be used. In summary, effective workforce management can reduce spikes and the impact of spikes.

Key 5: Speed Wins

When a student has a choice between similar online programs from similar IHEs, one thing can make the difference. Whoever has the financial aid award package in the hands of the prospective student first wins more often than not. Focusing on cycle time as measured from the time an enrollment application is received to the time a financial aid award is delivered will be crucial to the enrollment growth rates that can be achieved. Having an optimal cycle time is a combination of having the right people, process, and technology in place to meet this new type of student. It means having integrated enrollment to financial aid processes (not just technology). It means having a proactive and diligent call center approach. It means having user-friendly online financial aid applications. It means having auto-packaging technologies, along with other features. It also means measuring and improving results through cycle time, conversion rate, and adverse action reporting.

Benchmarking

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Do you think your financial aid process is a best practice? If you are not sure, try evaluating other options to complement your current structure. Several options exist including redeploying existing staff and resources to the back office while teaming with a front-office partner, or vice versa. As distance learning competition increases, it will be more important than ever to make changes to accommodate this new medium. The IHEs that can make the changes necessary while leveraging their established brands, local reputations, and faculty will have the best of both worlds and will succeed. Ultimately, students and other IHEs stakeholders succeed.