ADMINISTRATOR & FACULTY VOICES

Collaborating FOR change
Changing Higher Education, Transforming Lives

Leadership Briefs

Financial Indicators of Student Success

The road to degree completion for many college students is an indirect and rocky journey. Chief among pitfalls threatening student retention and success are financial hurdles that can range from running out of financial aid to encountering a personal unmet need (e.g. an unexpected medical bill, the car breaks down) that quickly disrupts a student's life and educational progress.

Expected and unexpected financial hardships are part of life. But a student's capacity to handle financial problems is increasingly becoming a concern in higher education not only for the cost it extracts from students but also for the unintended consequences it can impose on institutions.

As a result, some higher education reformers are collaborating for change, taking a broad look at the wide range of financial issues and decisions influencing student retention, and even using predictive analytics to tackle the problem, implement reforms, and implement strategies that catch students at risk of dropping out before they fail or fall off the institutional radar screen.

Collaborating to explore financial factors for student success

Five institutions formed a working group to collectively explore financial indicators of student success. Chaired by Jodi Levine, Temple University's Vice Provost, Office of Academic Affairs, Assessment & Institutional Research, the group also included teams from Florida International University (FIU), Georgia State University (GSU), Portland State University (PSU) and the University of Illinois at Chicago (UIC).

While not conclusive given the small sample size, the results provide an important framework to help other institutions better understand students' risk factors. This framework can also help institutions to: 1) categorize and assess problematic financial and academic behaviors that impact student success; 2) consider variables that help predict persistence and graduation success, 3) identify the financial indicators most commonly used across the five campuses surveyed; and 4) build an inventory of promising interventions to support at risk and other students that the working group noted as having significant, measurable impact at their institutions.

Exploring financial indicators by pilot survey

The group designed and piloted two surveys to collect data on student characteristics and financial backgrounds. Data collected was used to outline students' decisions (financial and non-financial), and key variables and strategies effecting student success. This brief summarizes what the surveys asked and what was learned.

Coalition of Urban Serving Universities

Association of Public & Land-Grant Universities

COLLABORATING FOR CHANGE

Collaborating for Change is a six-year initiative implemented by USU and APLU, and supported by the Bill & Melinda Gates Foundation, to work with urban serving universities to plan and implement transformational—often disruptive—approaches to advance student success efforts. These efforts are particularly focused on helping high need and traditionally at-risk students while keeping costs down, reexamining business models, and reaching deeper into the community.

THE COALITION OF URBAN SERVING UNIVERSITIES

The Coalition of Urban Serving Universities (USU) is a president-led organization committed to enhancing urban university engagement to increase prosperity and opportunity in the nation's cities and to tackling key urban challenges. The Coalition includes 43 public urban research universities representing all U.S. geographic regions. The USU agenda focuses on creating a competitive workforce, building strong communities, and improving the health of a diverse population. The Coalition of Urban Universities (USU) has partnered with the Association of Public and Land-grant Universities (APLU) to establish an Office of Urban Initiatives, housed at APLU, to jointly lead an urban agenda for the nation's public universities.

THE ASSOCIATION OF PUBLIC AND LAND-GRANT UNIVERSITIES

The Association of Public and Land-grant Universities (APLU) is a research, policy and advocacy organization representing 234 public research universities, land-grant institutions, state university systems, and affiliated organizations. Founded in 1887, APLU is North America's oldest higher education association with member institutions in all 50 U.S. states, the District of Columbia, four U.S. territories, Canada, and Mexico. Annually, member campuses enroll 4.7 million undergraduates and 1.3 million graduate students, award 1.1 million degrees, employ 1.3 million faculty and staff, and conduct $41 billion in university-based research.

In 2014, the five institutions aggregately admitted 17,009 freshman (full and part-time) and 14,874 transfer students (full and part-time).

In 2013, they served, collectively, 140,742 students, of which 26 percent were Hispanic, 15 percent were African American, 10 percent were Asian and 38 percent were white. These institutions all have significant proportions of students receiving financial aid (77–86%), making it an issue that is essential to their student success efforts. Pell Grant eligible students currently range from 34 percent to 57 percent.

Student Decisions Impacting Financial Health

Pilot survey findings suggest that several decisions made by students had significant impact on their financial behaviors and academic progress.

Key Findings

Academic Decisions

- Repeating courses (most common academic variable),
- Carrying unrealistic course load or credits registered for,
- Dropping courses, and
- Withdrawing from courses.

Non-Academic Decisions

- Choosing "on-campus residency" (most common non-academic influence);
- Failing to seek timely, financial assistance;
- Completing FAFSA, and
- Failing to meet deadlines.

Predicting Financial Risk on Student Success

Each campus used varied methods to predict risk, but relied primarily on regression analysis (Logistic)

Common Challenges Faced by Transfer Students

- Access to pre-matriculation transfer information
- Transferable credits vs usable credits
- Timeliness of transfer credits with respect to academic planning
- Credit accumulated and aid eligibility
- Transferring poor academic decisions
- Unclear paths to degree

and decision tree techniques. The participating institutions used either systems developed internally or worked with external vendors who assisted with risk/predictive modeling. In either case, unmet financial need emerged as a significant challenge for all five institutions, with a reported average of 50% of the entering students at the institutions struggling with this challenge. At some of the institutions 75-99% of entering students had unmet need.

Key Findings

Institutional Financial Indicators Impacting Success

- Pell Grant eligibility and Pell amount borrowed,
- Loss of financial aid,
- Dropped course due to non-payment,
- Full-time working status
- Estimated family contribution (EFC),
- Type of financial aid

Strategies and Interventions

Sixty-six academic, social, and administrative strategies were and are currently in use across the five institutions to promote retention and graduation; 26 were common across all five institutions. The institutional strategies used can be organized into 10 categories:

- Need-based Aid
- Academic Resources/Services
- Non-curricular Financial Literacy
- Literacy courses
- Counseling
- Increasing Faculty Awareness of Student Financial Difficulties
- Parent and Family Outreach
- FAFSA Completion
- Textbook Alternatives
- Assistance with Student Employment.

Four out of five institutions ranked four strategies as having either medium to large impact on retention and graduation.

Key Findings

Institutional Strategies with Significant Impacts

- Academic advising
- Additional tutoring services provided by the institution
- Student success programs/services (Summer Bridge, Trio)
- Ensuring priority class registration for the following term

Conclusions

Much of the information gathered was not new, nor were the results surprising to those who work daily in the trenches. A key point was highlighted—institutions need to work harder and find better ways to integrate students financial choices/options with their academic lives to help students understand the impact of decisions not only on their academic success but also on their financial futures.

Key Recommendations

- Given the size of unmet need, institutions need to find ways to provide additional grant support and funding.
- Link funding renewal to academic advising and student progress.
- Offer students personal financial literacy courses for credit that counts toward the degree.
- Aggressively promote financial deadlines and make financial aid information easier to find and accessible.
- Define (not comply) metrics to track, including data that measures the impact of the strategies used by the institution.

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USU AND APLU

- USU Leadership, including **Mark Becker**, President of Georgia State University, and Chair, USU Board; **Mark Rosenberg**, President of Florida International University, and Chair, USU Student Performance Strand; the **USU Board of Directors** and those who actively engage in the **USU Student Performance Strand**.
- **Shari Garmise**, Vice President of Urban Initiatives, and the whole USU staff.

Coalition of Urban Serving Universities

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