Helping Students Understand the Gap

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In the beginning…..

• Students aren’t necessarily thinking of where to find the funds
  – Some mistakenly think higher ed is not attainable

• First experiences with Financial Aid
  – Ready PA High School Activities
  – HS & Post Secondary Financial Aid Nights
  – FAFSA Programs
  – College Fairs / Visits
  – ..... if they attend .....
Decisions and Costs

Cost is at the top of the decision process.
Tools to help find the resources, let’s review

Students and families need help in understanding costs and how to find affordable options for ‘The Gap’ early in the process

Gap Shock is avoided when you share more about funding solutions
1st Step: FAFSA

- Encourage **ALL** students to complete and understand FAFSA
  - Federal Grants
  - State Grants
  - Scholarships
  - Federal Loans

- Deadlines!
  - Do they know?
Scholarships!

How are you telling students to search or find them?

- HS Guidance Offices
- Communities
- Your Institution
- Google Topics

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Net Price Calculators

- Are they visible
- Are students alerted of how to use them
- Include this tool with Acceptance Letters
- Are Internal discounts built in
- Are solutions offered for your institutional costs
529 College Savings Plans

- It’s never too late to save
- Opportunities to help subsequent year costs
- Are you offering this solution?

U-Promise savings add up
Payment Plans

- Most schools have payment plan options
- Small balances covered
- Less debt
- Can they find it – how do they know?
- Not everyone can afford it
Work Study

- How is it portrayed on your Award Letter?
- Most students think it’s an ‘award’
  - Don’t understand: Out of pocket expenses until earned
- Increases Gap confusion if not explained!
Federal Loans

- Helps meet the gaps when FAFSA is completed
- Included on Award Letters
- Undergraduates/Graduates are eligible
- Parent options are available
- Do your families understand that ‘fees’ are deducted
  - Causes small balances due

Usually balances still exist …
Alternative Education Loans

- Helpful gap funding
- Can offer better or competitive rates
- Often have benefits to lower rates and fees
- **Lender Lists** – help your families find equitable solutions
  - Increases comfort levels using trusted resources
  - Easy to use
- Using Google – Creates more confusion
Obstacles

- Admissions confusion
- Student/Family Communication
- Unclear Award Letters
- Enrollment Fears

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Ideas to use the TOOLS

- Be clear, concise, offer multiple solutions – address Gap upfront, not in the End. One size doesn’t fit All.

1. Evaluate Aid communication / steps
2. Involve enrollment, admissions, faculty
3. Include all options available for balances
4. Upfront work reduces Back End tasks

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• First Campus cost exposure
  - Is it causing or relieving family stress
• Are overall /annual costs understandable
• Did you package PLUS loans
• Is work study noted as “earned” money
• Are you including comprehensive correspondence about how to cover balances
• Timelines for applying for Aid; Deadlines?
College Financing Plan - Shopping Sheet

• New Format, Voluntary Use / DOE

STUDENT INFORMATION

Student name/identifier; date issued (right side)

Individual student's cost of attendance

The sum of each grant sub-category appears here: campus-based FSEOG and TEACH Grants would appear here under "Grants from Your School"

NET COST AFTER GRANTS

Aid awarded by school but earned through work

School recommended Federal loan amounts; state and institutional loans appear below in the customized information box

Other funds that can be used to meet net cost includes family contribution – FAFSA-calculated or institutional methodology

Space for institution to send custom message

INSTITUTIONAL PERFORMANCE METRICS

Student Right-to-Know graduation rate compared to the rates of similar institutions (Source: IPEDS)

Most recent repayment rate compared to the national average (Source: NSLDS)

Median debt for undergraduate borrowers entering repayment (Source: NSLDS)

Loan repayment calculator

Questions? ShoppingSheet@ed.gov
Communication

- Start early to address balances
- Each stage of enrollment can discuss costs.
  - Deposited: look for scholarships and grants; timelines
  - Orientation: introduce all funding options, where to find them
  - Bills: Provide ways to cover costs and deadlines
• Educate Admissions on financing options for upfront conversations

• Increase options for Financial Aid discussions
  – Admit Day; Orientation; Information Tables; Move In Day; anytime on campus

• Do Faculty and Dept. Chairs understand Financial Aid and Options?

• Encourage Campus Departments to be positive, and realistic, in affordability discussions to avoid empty promises
Options available for balances

- Families want guidance from a trusted source
  - Are they aware of appeals for circumstances?
- Include comprehensive information to avoid doubts and where to find it
  - Handouts
  - Websites
  - Discussions
  - Tours
  - Newsletters
Mix and Match — families don’t always remember they can choose combinations to cover balances
• Allow parents and students to find funding solutions in one place
  – **No jumping from site to site for topics**
  – **Links on your websites to the solutions**
    • FAFSA; Scholarships; Loans; Payment Plans….
  – **Offer Financial Literacy programs**
    • Net Price Calculators – found in one click or three
    • Campus clubs; NSLDS info; RA Assignments
• **KISS – Keep it Simple Silly**
  – **Help Headline Readers; Avoid Frustration; clear Award Letters**
• Help Families be comfortable with their choices
  – **Families need direction to avoid the unknown**

**Comprehensive Suggestions**
Doing Less:
- Enrollment Fear
- Affordability Confusion
- Students don’t research
- Families using random sources, affecting defaults
- Admission promises
- Award Letter confusion
- More account adjustments
- More balances due
- Collection Fees
- Families choosing a school that offers more help

Doing More:
- More receivables
- Less calls (hopefully)
- Less withdrawals
- Less Tracking
- Less financial changes
- Increases Retention
- Creates a Can Do attitude
- Creates better customer service
- Track trends to address the need
- Better Financial Literacy

Upfront Work, Reduces Back End Tasks
Your comments and info

• How do you avoid Gap Shock on campus
• Best practices
• Issues / Concerns
• What’s working, not working
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THANK YOU!