

# Fostering Educational Equity

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Helping socio-economically disadvantaged students via Just in Time  
Financial Education

# Agenda

- Importance of Access and Planning
- College Affordability: Perceptions and Realities
- Intentional Tactics for Supporting Students
- Thoughts/Questions



# Importance of Access and Planning

# College Enrollment Gap

In 2014, the immediate college enrollment rate for high school completers was 68%.

81% of students from high income families enrolled

64% of students from middle income families enrolled

52% of students from low income families enrolled

# Challenges To Low Income College Affordability

- Income : College Cost Ratio
- Social trust and college financing
- Lack of available resources and information
- Cultural money practices of low-income families

# Income: College Cost Ratio

Average income was lower in inflation-adjusted dollars in 2013 than it had been in 2003 for all but the highest-income families.

Income increase between 1983 and 2013 (in 2013 dollars):

Top 20% = \$70,821

Middle Quintile = \$8,936

Lowest Quintile = \$578

College cost increase for four-year in-state between 1983-2013 (in 2014 dollars) = \$6,324

Top 20% = 9% of income

Middle Quintile = 70%

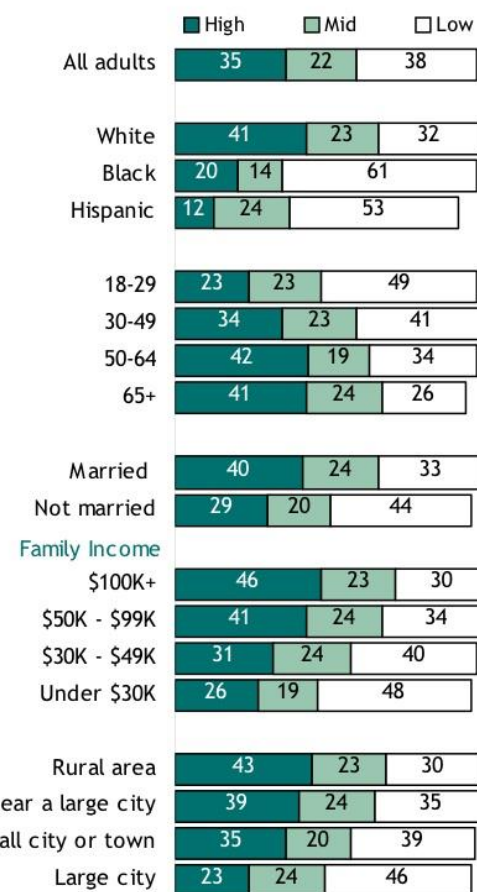
Lowest Quintile = you do the math!

# Social Trust and College Financing

## Social Trust: A Generalized Faith in the “other.” A “faith in the people.”

- Determined by historical relationships with social institutions (ex. Schools, banks, police, DMV).
- Decreased faith in social mobility, equity in merit, life chances.
- Impact on perceptions of loans/debt, school as an engine of change, conflict and skepticism over government (FAFSA), college/university personnel, banks, etc.

Social trust index, by demographics





# College Affordability: Perceptions and Realities



# Focus On Affordability

Lack of Knowledge Regarding College Financing

Stick versus Net Price

# Sticker Price (Perception) vs. Net Price (Reality)

## In-state public four-year college:

Average Sticker Price: \$9,139

Average Net Price: \$3,030

## Private four-year college:

Average Sticker Price: \$31,230

Average Net Price: \$12,360

(ANP = price after subtracting gift aid and other educational credits for 2014-15 full time students)

# Affordability

Lack of knowledge regarding college financing

Fearful of uncertainty in aid

Family pressure

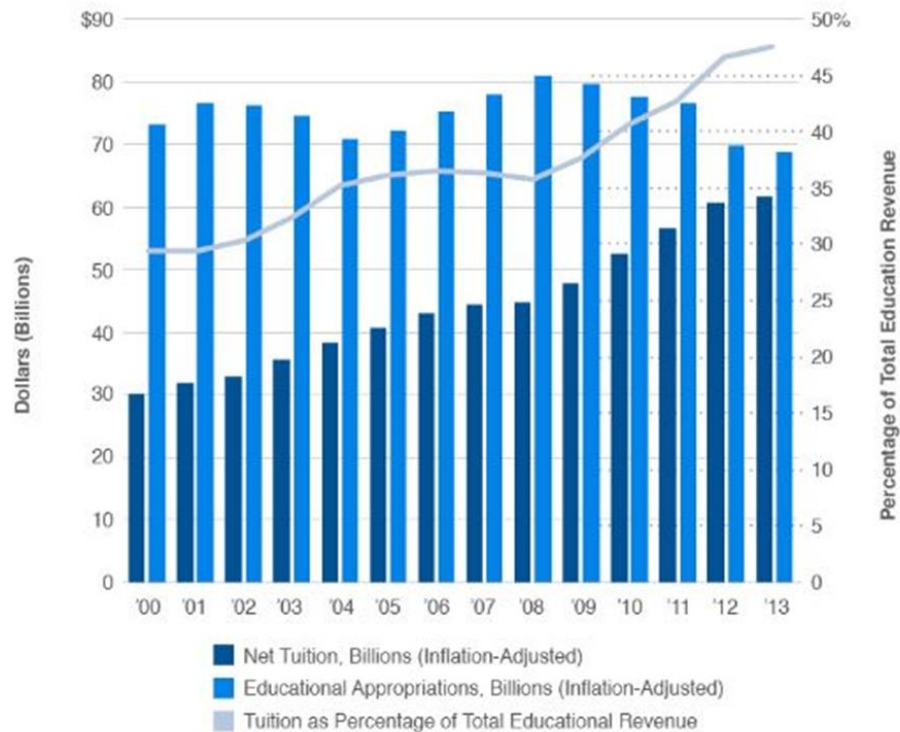
Sticker versus net price

Price sensitivity

Myriad of available resources and information

# Stagnant Appropriations= Higher Tuition and Higher Student Debt

**Figure 10. As Appropriations Stagnate, Tuition and the Student Burden Increase**



Source: State Higher Education Executive Officers [SHEEO] (2014). State Higher Education Finance 2013.

# Borrowing Impacts Low Income Families More

“A full 84 percent of graduates who received Pell Grants graduate with debt, compared to less than half (46%) of non-Pell recipients.”



# Intentional Tactics for Supporting Students

# Institutional Challenges-We Know (That You Know) They Exist!

- Ongoing fiscal challenges
  - Changing demographics
  - Transparency
  - Pressure to produce well-educated talent to meet workforce needs
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- Lack of services to identify, recruit, retain and graduate first-gen/low-income students
  - Increased educational attainment gap

# Intentional Tactics

## #1

Shift the “Fit”  
Hierarchy

Academic

Social/emotional

Extracurricular

Financial

“X” factor



# If Finances Are The Issue...Start with the “Financial Fit”

- Consider shifting the search hierarchy:



Figure out what you can afford first, then...

Determine aid eligibility

Create the universe of schools that might be financially feasible AND meet your other needs

Reminder: sticker price is not the same as net price

# Intentional Tactics

## College Process Navigation Issues

# #2

Lack of mentors and/or parent knowledge  
Lack of peer knowledge and/or support  
Lack of institutional resources

## College Readiness

High school coursework does not align with college requirements  
Lack of required entrance exams – knowledge issue and financial issue

## Financial Issues...Lack of

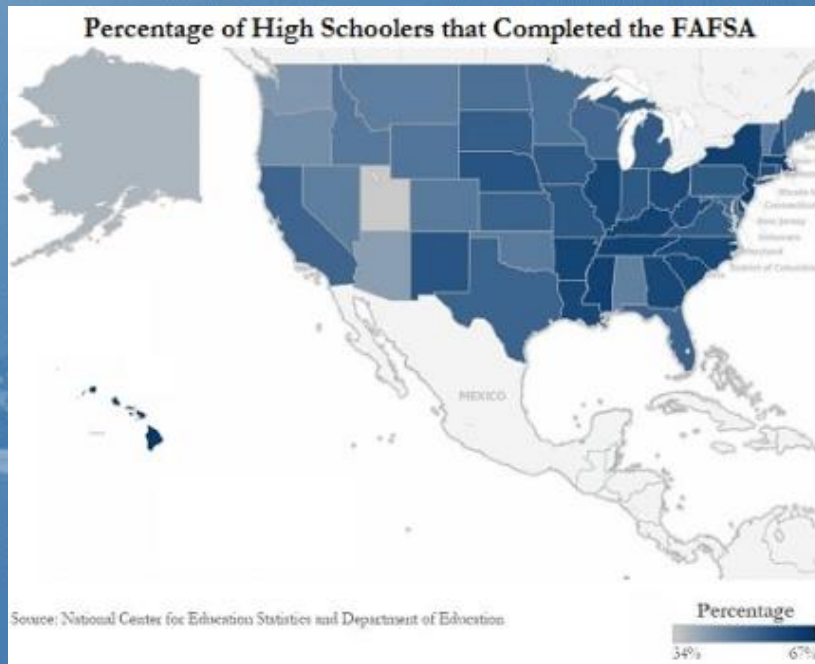
**Understanding** of the financial aid process – FAFSA completion, etc.

**Familial support** to file required documents – or even to attend college

**Personal resources** to help meet unmet need – and lack of knowledge on how to impact this issue (scholarships, work study, etc.)

**Identify the  
Access and  
Completion  
Trouble Areas**

# FAFSA Completion



- On average, less than 55% of seniors complete the FAFSA in each state.
- Ranges from 34 – 67%

# Intentional Tactics

## #3

“Beyond Financial Aid” (Lumnia Foundation)

**Focus on the practical financial barriers**

- Easy access and enrollment into public benefits such as nutrition assistance and health care.
- The provision of financial and career coaching.
- Campus programs that offer such things as automotive repair, tax preparation and legal services.

# Examples

## Skyline College

- Provide financial counseling, assessment for public benefits, and the development of and connection to on-campus supports, including a food pantry.

## Santa Fe College

- Develops class schedules based on the times that most students are best able to attend classes; this helps students stay on their educational pathways.

## Georgia State and Tennessee State

- Settle outstanding debts through micro-grants, thus keeping financially strapped students enrolled.

# Intentional Tactics

## #4

### Anticipate the “After” Realities

#### Life” Issues + Financial Issues

- Lack of understanding of employment process and resources – institutional and beyond
- Lack of “translation” skills
- Lack of understanding of the student loan repayment process
- Lack of understanding of finances in general – budgeting, credit, etc.
- Sense of being overwhelmed with financial responsibilities

# Financial Literacy

## Knowledge about money/personal finance

- These students – and parents – often lack access to financial literacy resources
- Also driven by cultural background

## Lack of financial literacy can create:

- Fear of the unknown
- Inability to comprehend the process
- Uncertainty around value of education
- Fear of student loans
- Fear of sharing required financial information
- Stop outs in the process

# Programming Tips

- Be intentional.
- Use existing resources.
- Use existing opportunities.
- Sprinkle small sound-bites throughout the year to help consistently reinforce messaging.
- Many of your students/parents may know very little about the college process.
  - **What are your demographics?**



# Additional Tactics

- Partner with community based organizations
- Hold events/provide information for both parents and students
  - **Consider language issues**
- Create checklists for important to-dos
- Include financial aid/scholarship information in admission presentations
- Hold “fly-ins” or other recruitment events
  - **Include all support opportunities for “college is possible” ideal**

# Questions?



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