Scholarship Leveraging Conversation with Budget Planning Council

November 17, 2020, 12:00 - 2:00 p.m.

Prepared by Candace J. Boeninger
Interim Vice Provost for Strategic Enrollment Management
Financial Aid—The Basics

Types of Aid
- Scholarships
- Grants
- Student Employment
- Loans

Sources of Aid
- Federal
- State
- Institution: Central
- Institution: Non-central
- Institution: Endowed
- Third-Party
  - Examples: employers, non-profits, government agencies, private parties
Financial Aid—The Basics

Merit-based scholarship process:
• Application for admission serves as initial application for scholarships; no separate application to complete for most awards
• First-year awards issued beginning in December and on rolling basis throughout cycle
• Highest-value awards programs host competitive processes in winter and spring
• May 1 National Candidate’s Reply Deadline to accept scholarship
• Typically only available for fall starts (different approach in pandemic)
• Regional scholarship timelines different and later
• Upperclass: automatic renewal per criteria; additional awards via upperclass scholarship application

Need-based aid process:
• FAFSA opens October 1; must file annually and be received by January 15 first-priority date
• EFC serves as an index
• Packages issued in mid-February for new students; March for continuing students
Factors Considered in SEEC Assumptions

<table>
<thead>
<tr>
<th>Landscape and market data</th>
<th>National trends, precedents, surveys</th>
<th>Graduation rates and trends</th>
<th>Competitive info and intelligence</th>
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Overview of Scholarship and Aid Disbursements
Total Aid Awarded 2019-2020*

Total Aid Awarded, 2019-2020*
$460,471,893 million
(all programs, all students)

Loans, 54.4%, $250,460,987
Grants and Scholarships 41.5%, $191,168,407
Student Employment, 4.1%, $18,842,445

Total Aid Awarded, FY11-FY20, In Millions

*2019-20 AFIS Report
In the 2019-20 school year, OHIO awarded and processed more than $191 million in grants and scholarships.

$102 M (53%) of those funds are awarded centrally in the form of fee-waivers and centrally awarded aid programs.

Institutional gift aid accounts for 58% of all central awarding.
Centrally Awarded Aid Programs, 2019-20*  

Centrally Awarded Aid Programs, 2019-2020  
$59,312,565  

- OHIO Signature and Other Central Scholarships, $41,860,364, 70%  
- Athletics, $8,727,180, 15%  
- Misc. Other Univ. Awards (endowed restricted and departmental), $8,725,021, 15%  

“OHIO Signature and Other Central Scholarships” information:  
- All campuses and levels included  
- Accounts for ~70% of the total Financial Aid Scholarships and Grants;  
- Represents $41.8 million (9.1%) of the total $460 million in aid awarded to students  
- Includes merit and need  

*2019-2020 AFIS
OHIO Signature Awards Program:
- Includes full-tuition Premier (HTC)
- Includes base awards for all qualifying students
- Includes awards for targeted populations (academic, geographic, demographic) who also meet academic criteria

OHIO Signature and Other Central Scholarships 2019-2020

- OHIO Signature Awards Program - Merit, $26,456,593, 63%
- OHIO Signature Awards Program - Need, $4,811,801, 12%
- Special programs (e.g., Templeton, NextGen, CoFA Talent, Transfer, Deans), $5,641,379, 13%
- Misc Other Paid from Central Accounts (Grad, RHE, etc.), $4,950,591, 12%

Total: $41,860,365

*2019-2020 AFIS and Financial Aid projection estimate reports
OHIO Financial Aid Optimization
History and Goals
Financial aid leveraging is the **strategic investment** of financial aid funds to help campuses enroll the students they desire, control discounting and financial aid expenditures, and achieve the net revenue they need. It also helps institutions pinpoint the amount of aid students need to enroll.”*

What should a contemporary scholarship program do?

Priorities and Tradeoffs

A contemporary scholarship program might prioritize any of the following objectives:

- **Improve enrollment**: Headcount, FTE, credit hours
- **Maximize revenues**: Net tuition, net total, total lifetime
- **Manage discount rate**: Tuition and fees discount, total discount
- **Increase diversity to achieve educational benefits**: Race, ethnicity, gender balance, first-gen status, geography, citizenship
- **Improve academic profile**: Major mix, quality indicators, program demand, capacity limitations, program goals
- **Achieve socio-economic objectives**: Affordability, access, socio-economic mobility, minimizing borrowing, preventing default
- **Motivate and support student success**: Retention, persistence, and graduation goals
- **Achieve programmatic goals**: OHIO Honors, alumni engagement, talent-based programs, etc.
- **Improve reputation and brand**: Generate interest, solicit applications, increase yield
- **Anticipate and respond to competition**: Net price comparisons, price sensitivities
What should a contemporary scholarship program NOT do?
Summer Adjustments for Fall 2020

In addition to continuing aggressive admission and yield strategies:

1. **OHIO Get Connected Grant**: One-Time scholarship valued at $750 to assist with the transition to a remote-intensive learning environment. Announced with Phase 1 and awarded to all first-time, degree-seeking students on Athens and Regional campuses for fall 2021 only.
   - ~$3 million

2. **OHIO Trustee Bonus Award**: One-time increase of the non-resident Trustee Award for out-of-state first-year students. For years 2-4, the scholarship returns to original offered amount.
   - ~$1.2 million

3. **OHIO Transfer Scholarship Increase**: Increased award amounts and reach for this high-yielding scholarship not otherwise included in the Signature program.
   - ~$373,000

4. **OHIO CARES Relief Fund Institutional Grants**: Awards up to $500 to supplement the federal funds made available through the CARES Act.
   - ~$1 million
Intersection with Affordability and Price
Affordability Tops Parents’ List of Concerns

“What makes you most anxious about your child’s future college experience?”

Categories Cited by More Than 10% of Survey Respondents

- Cost: 48%
- Debt incurred: 34%
- Fit: 32%
- Scholarships: 30%
- Child’s health/well-being: 21%
- Child’s safety: 20%
- Employment after graduation: 15%
- Child’s success: 15%
- Financial aid: 14%
- Child’s happiness: 14%
- Admission to top-choice school: 13%

Even students’ health is not as worrying to parents as college cost—a remarkable finding in the COVID era.

Included in fewer than 10% of parents’ top concerns:
- Exposure to drugs or alcohol on campus
- Eventual admission to graduate school
- Child’s ability to make friends

1) Parents were asked to select their top three concerns.

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Source: EAB research and analysis.
Willingness to Pay – Middle Income


“What is the most you would pay for college annually?”

Parents of High School Seniors from Households with Income between $60K and $120K; Cost Includes Tuition, Fees, Housing, and Meals

<table>
<thead>
<tr>
<th>Percentage willing to pay $15K+</th>
<th>2018</th>
<th>45%</th>
</tr>
</thead>
<tbody>
<tr>
<td>2020</td>
<td>58%</td>
<td></td>
</tr>
</tbody>
</table>

1) Denominator excludes parents who said they were unsure how much they’d be willing to pay. For data shown in this chart, n=125 for 2018 and n=76 for 2020 (n being the total number of responding households across all income bands).

Source: EAB research and analysis.
Willingness to Pay – Lower Income

More Lower-Income Parents Have a Lower Cost Ceiling in 2020

“What is the most you would pay for college annually?”

Parents of High School Seniors from Households with Income of $60K or Less; Cost Includes Tuition, Fees, Housing, and Meals

<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>% willing to pay &gt;$10K</td>
<td>46%</td>
<td>33%</td>
</tr>
</tbody>
</table>

1) Denominator excludes parents who said they were unsure how much they’d be willing to pay. For data shown in this chart, n=54 for 2018 and n=45 for 2020 (n being the total number of responding households across all income bands).

Source: EAB research and analysis.
Average Institutional Grant Aid per Enrolled Undergraduate Student

Source: Most current IPEDS data as of November 2020 (includes resident and non-resident enrollment)

Caveats for Comparing Average Aid:

- Tuition and non-resident surcharge variances
- Variable resident, non-resident, and international student mix by institution
- Participation in tuition guarantee programs
- In-state and national institutional market position
- Timeliness of this data
Average Net Price for Full-Time Beginning Students: Selected IUC

Source: NCES College Navigator (IPEDS)

“Full-time beginning undergraduate students who paid the in-state or in-district tuition rate and were awarded grant or scholarship aid from federal, state or local governments, or the institution.”

<table>
<thead>
<tr>
<th></th>
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<tbody>
<tr>
<td>Akron</td>
<td>$16,863</td>
<td>$16,269</td>
<td>$17,351</td>
</tr>
<tr>
<td>BGSU</td>
<td>$17,877</td>
<td>$17,508</td>
<td>$17,427</td>
</tr>
<tr>
<td>KSU</td>
<td>$18,156</td>
<td>$17,552</td>
<td>$18,643</td>
</tr>
<tr>
<td>OSU</td>
<td>$18,042</td>
<td>$18,694</td>
<td>$18,706</td>
</tr>
<tr>
<td>UC</td>
<td>$20,379</td>
<td>$20,085</td>
<td>$19,219</td>
</tr>
<tr>
<td>OHIO</td>
<td>$21,607</td>
<td>$22,072</td>
<td>$22,521</td>
</tr>
<tr>
<td>Miami</td>
<td>$20,316</td>
<td>$20,542</td>
<td>$22,589</td>
</tr>
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- **Average net price** is generated by subtracting the average amount of federal, state/local government, or institutional grant or scholarship aid from the total cost of attendance. Total cost of attendance is the sum of published tuition and required fees (lower of in-district or in-state), books and supplies, and the weighted average for room and board and other expenses.

- **Beginning students** are those who are entering postsecondary education for the first time.

- **Title IV aid** to students includes grant aid, work study aid, and loan aid… While Title IV status defines the cohort of students for which the data are reported, the definition of net price remains the same – total cost of attendance minus grant aid.
Average Net Price for Full-Time Beginning Students: Selected IUC
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Average Net Price by Income: 2016-2017
Source: NCES College Navigator (IPEDS)

“Full-time beginning undergraduate students who paid the in-state or in-district tuition rate and were awarded Title IV aid by income.”

<table>
<thead>
<tr>
<th>2016-2017</th>
<th>$0 – $30,000</th>
<th>$30,001 – $48,000</th>
<th>$48,001 – $75,000</th>
<th>$75,001 – $110,000</th>
<th>$110,001 and more</th>
</tr>
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<tbody>
<tr>
<td>UC</td>
<td>$16,377</td>
<td>$17,800</td>
<td>$21,987</td>
<td>$24,757</td>
<td>$25,391</td>
</tr>
<tr>
<td>OHIO</td>
<td>$16,159</td>
<td>$18,239</td>
<td>$21,343</td>
<td>$23,977</td>
<td>$24,841</td>
</tr>
<tr>
<td>Akron</td>
<td>$15,603</td>
<td>$16,581</td>
<td>$18,972</td>
<td>$20,090</td>
<td>$20,540</td>
</tr>
<tr>
<td>BGSU</td>
<td>$15,311</td>
<td>$16,251</td>
<td>$19,050</td>
<td>$20,851</td>
<td>$21,167</td>
</tr>
<tr>
<td>Kent</td>
<td>$13,616</td>
<td>$15,347</td>
<td>$18,788</td>
<td>$20,846</td>
<td>$21,289</td>
</tr>
<tr>
<td>Miami</td>
<td>$11,489</td>
<td>$14,041</td>
<td>$18,458</td>
<td>$22,402</td>
<td>$25,484</td>
</tr>
<tr>
<td>OSU</td>
<td>$8,969</td>
<td>$11,661</td>
<td>$15,677</td>
<td>$20,170</td>
<td>$22,687</td>
</tr>
</tbody>
</table>

For each year, each income band column is shaded in a graded color scale to indicate relative net price: **Highest** Middle **Lowest**

Each year sorted in descending order by average net price for lowest income band.
Average Net Price by Income: 2017-2018
Source: NCES College Navigator (IPEDS)

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<td>$15,282</td>
<td>$18,480</td>
<td>$19,474</td>
<td>$19,704</td>
</tr>
<tr>
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<td>$14,592</td>
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<td>$20,811</td>
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<td>$26,131</td>
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<tr>
<td>OSU</td>
<td>$8,932</td>
<td>$9,861</td>
<td>$15,906</td>
<td>$21,130</td>
<td>$23,918</td>
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- **Highest**
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- **Lowest**

Each year sorted in descending order by average net price for lowest income band.
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<td>$25,746</td>
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<tr>
<td>UC</td>
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<td>$18,106</td>
<td>$20,312</td>
<td>$23,366</td>
<td>$24,825</td>
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<tr>
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<td>$14,816</td>
<td>$15,803</td>
<td>$18,630</td>
<td>$20,582</td>
<td>$20,537</td>
</tr>
<tr>
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<td>$28,295</td>
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<td>$10,037</td>
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Each year sorted in descending order by average net price for lowest income band.
Cost Data in the College Search: Google Results

Ohio University

In-state tuition 12,612 USD, Out-of-state tuition 22,406 USD

People also search for

- The Ohio State University
  - In-state tuition 11,084 USD, Out-of-state tuition 32,061 USD
- Miami University
  - In-state tuition 15,511 USD, Out-of-state tuition 35,937 USD
- University of Cincinnati
  - In-state tuition 11,060 USD, Out-of-state tuition 26,994 USD

Sources include: IPEDS

Ohio University is a public research university in Athens, Ohio. The first university chartered by an Act of Congress and the first to be chartered in Ohio, it was chartered in 1787 by the Congress of the Confederation and subsequently approved for the territory in 1802 and state in 1804, opening for students in 1809. [Wikipedia]

Average annual in-state cost

- Before aid: $29,980
- After aid: $22,453

Graduation rate:
- Graduation rate: 62%
- Acceptance rate: 78%

Address: Athens, OH 45701
Phone: (740) 593-1000
Undergraduate enrollment: 22,072 (2018–19)

[Source: US Dept of Education (IPEDS) - Learn more]
Cost Data in the College Search: Google Results

OSU

In-state tuition 11,084 USD, Out-of-state tuition 32,061 USD

2019 – 20
Cost Data in the College Search: Cappex
Cost Data in the College Search: Big Future (College Board)
Academic Quality Bands
Freshman Class by Common Data Set ACT Score Bands (4 buckets)

FRESHMAN CLASS BY ACT

<table>
<thead>
<tr>
<th>Institution</th>
<th>30-36</th>
<th>24-29</th>
<th>18-23</th>
<th>12-17</th>
</tr>
</thead>
<tbody>
<tr>
<td>OSU Newark</td>
<td>3%</td>
<td>7%</td>
<td>7%</td>
<td>10%</td>
</tr>
<tr>
<td>BGSU</td>
<td>30%</td>
<td>32%</td>
<td>35%</td>
<td>40%</td>
</tr>
<tr>
<td>KSU</td>
<td>49%</td>
<td>55%</td>
<td>56%</td>
<td>47%</td>
</tr>
<tr>
<td>Ohio State</td>
<td>21%</td>
<td>21%</td>
<td>51%</td>
<td>50%</td>
</tr>
<tr>
<td>UC</td>
<td>21%</td>
<td>21%</td>
<td>54%</td>
<td>54%</td>
</tr>
<tr>
<td>UD</td>
<td>10%</td>
<td>21%</td>
<td>35%</td>
<td>35%</td>
</tr>
<tr>
<td>Miami University</td>
<td>7%</td>
<td>7%</td>
<td>10%</td>
<td>10%</td>
</tr>
<tr>
<td>Ohio University</td>
<td>3%</td>
<td>3%</td>
<td>2%</td>
<td>2%</td>
</tr>
</tbody>
</table>

Source: Institutional Common Data Set Submissions 2019-2020
No institution reported scores in 0-11 range.
Freshman Class by Common Data Set ACT Score Bands (two buckets)

<table>
<thead>
<tr>
<th>Institution</th>
<th>24-36</th>
<th>0-23</th>
</tr>
</thead>
<tbody>
<tr>
<td>OSU Newark</td>
<td>33%</td>
<td>67%</td>
</tr>
<tr>
<td>BGSU</td>
<td>38%</td>
<td>62%</td>
</tr>
<tr>
<td>KSU</td>
<td>42%</td>
<td>58%</td>
</tr>
<tr>
<td>OHIO</td>
<td>50%</td>
<td>50%</td>
</tr>
<tr>
<td>UC</td>
<td>71%</td>
<td>29%</td>
</tr>
<tr>
<td>UD</td>
<td>71%</td>
<td>29%</td>
</tr>
<tr>
<td>Miami</td>
<td>90%</td>
<td>11%</td>
</tr>
<tr>
<td>OSU</td>
<td>92%</td>
<td>8%</td>
</tr>
</tbody>
</table>

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No institution reported scores in 0-11 range.
Designing an Optimized Program
What should a contemporary scholarship program do?

Priorities and Tradeoffs

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Next Steps in OHIO’s Financial Aid Optimization

Fall 2021 (now):
• Optimize Athens undergraduate enrollment with attention to net revenues, anticipating COVID impacts, defending against increased competition, increase market share
• Account for test-optional pathway and FAFSA completion trends
• Incorporation of new predictive and prescriptive analytic capabilities

Ongoing (also now-ish):
• Price position analysis and price sensitivity modeling (pricing study?)
• Improving understanding of and ability to predict revenue impacts—tuition, total, lifetime—and approach to budgeting
• Shifting focus from input measures to success metrics
• Coordination of administration of eligible endowed awards with leveraging model
• Regional campus leveraging
• Establishing desired merit and need mix across all campuses
• Transfer scholarship optimization
• OHIO Guarantee+ Lifelong Benefits
• Corporate and employer discount strategies