

Executive summary

Higher education institutions have a critical role to play in increasing college participation and success among low-income and minority students. Institutions can meet their commitment to produce more equitable outcomes by improving their efforts to reduce financial hardships among low-income students. *Beyond Financial Aid (BFA)* can aid them in that work. It builds on three guiding principles:

- (1) A large and growing number of postsecondary students face the challenges created by limited resources. In fact, approximately one in three American undergraduates receives a Pell grant and is therefore considered a low-income student.
- (2) When institutions structure and offer all types of financial aid (including nontraditional supports) in a coherent, consumable way, students will persist longer, generate additional revenue for the institution, and graduate at higher rates.
- (3) Providing these supports in an intentional way is not an impossible dream. Colleges across the country are already doing it and doing it well.

'Beyond Financial Aid:' purpose and elements

College affordability is about more than tuition and fees. It reflects the ability of students and their families to meet expenses and maintain a reasonable standard of living. Traditional financial aid such as grants and loans are often inadequate to cover the true cost of attendance. *BFA* expands the traditional concepts of what social and financial supports are necessary to address the broader needs of low-income students. Those needs include access to reliable and adequate nutrition, transportation, housing and child care — as well as financial, tax and legal services. With access to a more comprehensive network of supports, low-income students can establish a financial foothold. This allows them to focus on and achieve their education goals. In addition to these supports, institutions can and should review and revise their own pricing structures, financial aid strategies and scholarship policies to help ensure the success of all students.

BFA (1) makes the case for broad, integrated financial supports for low-income students, (2) provides a framework of six concrete support strategies with examples from institutions across the nation, (3) includes a self-assessment for institutions to gauge their own capacity and readiness, and (4) provides an interpretation guide to help institutions make sense of their

assessment results and inform next steps. Collectively, *BFA* addresses the following questions:

- How can your institution assess its readiness and capacity to support low-income students?
- What strategies can your institution consider adopting to better support low-income students?
- What initial steps can your institution take to strengthen its support of low-income students?

The benefits of increasing support to low-income students

Strengthening the financial stability of low-income students can generate enormous gains at multiple levels. Such efforts can increase students' long-term economic independence, make the economy more efficient, and contribute to a more equitable society. For institutions, strengthening the financial stability of low-income students can offer numerous benefits. For example, it can help institutions:

- Improve key indicators of institutional performance, including rates of student retention, completion, transfer and employment.
- Address calls from accrediting agencies, state educational systems and the public to ensure quality, affordability and equity.
- Create economic benefits, including increased revenue from tuition and state apportionment.
- Narrow the so-called "achievement gap," which may be less about achievement and more about students having the resources to succeed.
- Strengthen commitment to and relationships within the local community.

Low-income students: who and how many?

Using receipt of a Pell grant as a proxy for low-income status, approximately one of three American undergraduates is low-income. Bearing in mind that not all low-income students who are eligible for financial aid actually apply, the exact number of low-income students is arguably much higher. Many economically disadvantaged students arrive at postsecondary institutions with needs that simply cannot be addressed through traditional college supports. In addition to entering institutions with academic

challenges, low-income students often must balance school with competing priorities, including families and jobs. More often than expected, these students may lack reliable access to adequate housing, food, transportation, health care and child care as well as financial, tax and/or legal services. Though they qualify for and receive financial aid, these students can still have significant unmet financial needs. Many are unaware of the supports that are available in their communities and on campus to alleviate these hardships. Being underprepared and overextended, such students often delay entry into postsecondary education after high school, enroll part-time or inconsistently, disengage from school, or in many cases, drop out altogether.

Six strategies to increase support of low-income students

BFA concentrates on six concrete strategies that can help institutions address the broader financial needs of low-income students:

1. **Know the low-income students at your institution.** Each institution varies in the specific makeup of its low-income students and in the supports it offers those students. Reviewing quantitative and qualitative institutional data can help determine accurate numbers and characteristics of low-income students, how they experience the institution, and which factors affect their ability to succeed.
2. **Provide supports to help low-income students overcome practical barriers.** A financial stability package for low-income students can extend beyond traditional financial aid. It can include easy access to public benefits such as food assistance and health care, the provision of financial and career coaching, and implementing on-campus programs to offer services such as automotive repair, tax preparation and legal services. While many institutions provide an array of resources and assistance to low-income students, these supports can be delivered more effectively if they are bundled, integrated and centralized.
3. **Leverage external partnerships for service delivery on campus.** Institutions can leverage and expand their network of partnerships to include groups with shared missions, values and students. Strengthening these relationships may require up-front effort and sustained commitment, but these partnerships can benefit students, institutions and the external organizations.
4. **Empower low-income students to use available resources.** While many students proactively seek out services and resources, many others do not. Normalizing the act of using a variety of financial supports, including financial assistance and public benefits, can increase their use. Also, shifting to an “opt-out” model as the

default — a process that automatically provides services unless students actively choose not to use them — can increase students’ use of services.

5. **Review your internal processes.** Institutional policies and processes are created to fit specific conditions. However, as time passes, what was designed as a convenient policy or a reasonable process may have unintended negative impacts (e.g., academic, financial) on low-income students. Reviewing your institution’s internal processes from the perspective of low-income students can help highlight opportunities to revise and streamline those processes in ways that can better meet students’ needs.
6. **Implement effective practices to strengthen the academic progression of all students.** Many institutions are exploring practices known to encourage the progression and achievement of all students. However, without integrated supports that stabilize their finances, low-income students are at a particularly high risk of not reaching their education goals.

The ‘BFA’ Self-assessment Guide

Each institution can address these six strategies in ways that acknowledge its unique mix of culture, priorities, resources and existing efforts. To identify your institution’s priority areas for action, *BFA* includes a self-assessment that helps your institutional team:

- Explore how your institution addresses the variety of financial issues your low-income students face.
- Determine how integrated your institution’s services are.
- Discover opportunities for improvement, both by enhancing and/or expanding current services and by adding new services that address gaps.

After conducting the self-assessment, your team can use the accompanying interpretation guide to make sense of the results in terms of:

- Your institution’s current composition and circumstances of low-income students.
- Potential opportunities inside and partnerships outside the institution.
- How to start a dialogue and develop a plan of action for strengthening support of low-income students at your institution.

In doing so, colleges and universities can ensure that increasing numbers of low-income students at their institutions achieve the levels of success that can translate their higher education experiences into long-term economic independence.