Practice #6: Financial Distress Monitoring

Description
The department or office responsible for retention monitors student progress in completing financial aid paperwork each semester, proactively notifying students when a missing form could delay the distribution of funds, and offering assistance in getting the necessary paperwork in order. Special walk-in help sessions assist students in understanding and completing missing paperwork.

Two weeks prior to registration, the bursar office provides the retention office with a roster of students who will be prevented from registering due to a bursar hold. The retention office notifies these students, who are often unaware of the hold and suggests steps for resolving the situation. Students who need more extensive assistance are invited in for an appointment to explore options for securing additional funds. Bursar audits continue each week until the end of the semester.

Recommended For: All colleges and universities (especially tuition-dependent private institutions)

Council Assessment of Practice Effectiveness
Many students leave college due to entirely preventable cases of financial distress. As currently structured, financial aid and bursar offices are task-oriented and not organized to provide the kind of proactive support necessary to assist students through financial troubles. In some instances, bursar holds are simply the result of a delinquent payment or missing financial aid form, problems that the student could resolve if made aware early enough. In other cases, a small financial aid supplement can reduce a student’s outstanding balance below the registration threshold. It’s estimated that intervening early with financial problems could reduce attrition at some schools by as much as 5 to 8 percent annually. This practice is cost effective, assuming the university has the infrastructure enabling it to audit student financial aid records (see below).

Implementation Tips
From a technological standpoint, this practice requires the university to be able to audit student bursar and financial aid records, then link students’ names to a system for sending automated notification e-mails. The majority of universities already have some or all of these functionalities in house. All others will have to invest IT resources to build the necessary software.

This practice also requires an investment in retention staff with the capacity to support students requiring additional counseling. The exact staffing commitment will vary according to size of the student body and the degree of financial need. It is strongly recommended that these officials have the authority to distribute emergency institutional grants.

Implementation Toolkit

Tool #6A: E-mail to Students on Bursar Hold.................................................................p. 79
Universities can be doing more to prevent student attrition triggered by bursar holds. Small unpaid bursar balances may block students from registering, catalyzing a series of events that increase attrition rates and decrease the odds that the university will ever collect the missing revenue. Yet a surprising number of universities do little to inform students of financial hurdles prior to registration. Since it is typically parents, not students, who monitor bursar statements, students are frequently unaware of an unpaid balance until the moment they are blocked from registering.

**Preventable Losses from Financial Distress**

*The Bursar Hold Death Spiral*

- Bursar hold prevents student from registering on time
- Failure to sequence courses correctly increases time-to-degree
- Student resolves hold but misses first-choice classes
- Additional semesters increase total college cost
- Student resources, perseverance exhausted before degree is completed

Source: University Leadership Council interviews and analysis.
Registration delays can be prevented by auditing student financial records to identify unpaid balances and financial aid problems. Proactive outreach is essential to reaching students who are unaware they are in financial peril or who may be too ashamed or disheartened to seek help. Xavier and Tiffin Universities audit bursar accounts and financial aid paperwork to help students overcome potential financial roadblocks before their problems reach a critical stage. These efforts require roughly one FTE per thousand undergraduates for one month each semester.

Catching Financial Problems Earlier

1. Resolve Bursar Holds Prior to Registration Period
   - Students alerted to bursar holds two weeks before registration begins
   - Retention expert offers assistance navigating problems

2. Ensure Timely Submission of Financial Aid Paperwork
   - Retention expert works with financial aid office to identify and assist students missing financial aid paperwork

Case in Brief

Xavier University
Cincinnati, Ohio
- Urban private master’s university with 4,000 undergraduates
- Office of Student Success and Retention contacts students on bursar hold two weeks prior to beginning of registration
- Students who cannot resolve holds on their own are encouraged to meet with program staff for financial counseling
- Students who truly lack resources required to continue at institution may be offered emergency funding

Case in Brief

Tiffin University
Tiffin, Ohio
- Rural private master’s university with 1,650 undergraduates
- Chief Retention Officer and Director of Student Retention Services proactively identify and offer support to students who have bursar holds or who have not completed necessary financial aid paperwork
- Currently, efforts are focused on ensuring that all incoming students complete all paperwork prior to arrival on campus and on helping continuing students resolve bursar holds before departing for the summer
- Program based in enrollment management division

Source: University Leadership Council interviews and analysis.
Many students can resolve registration holds with minimal additional assistance if given enough notice. Retention staff at Xavier University audit student records for bursar holds two weeks before the start of registration. These students receive an automated e-mail notifying them of their status, suggesting steps for resolution, and extending an offer of assistance. Bursar audits and outreach continue each week until the end of the semester.

Timeline for Resolving Bursar Holds

October
- Initial registrar audit two weeks prior to registration
- E-mails sent to students with outstanding balances (see example, on page 79)
- Audits re-run once a week to identify new holds

November
- Registration opens
- Weekly audits continue, confirming that students are clearing their holds
- Students still on hold targeted with in-person counseling

December
- Audits and counseling continue
- Students still on hold are connected with supplemental financial aid

Source: University Leadership Council interviews and analysis.
Xavier uses a series of escalating interventions to optimize their limited financial and human resources for serving those students with the most need. Many holds result from late tuition payments or unpaid fees that most students can quickly resolve following e-mail notification or a brief financial counseling session. The OSSR provides the small remainder of students with money from undistributed Perkins loans or a special donor-established fund earmarked to provide students with emergency scholarships (see “Distribution Retention Micro-Scholarships” on page 21 for details).

**Escalating Interventions**

*Directing Scarce Resources to the Greatest Need*

<table>
<thead>
<tr>
<th>Intervention Step</th>
<th>Target Population</th>
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<tbody>
<tr>
<td><strong>Phase One:</strong></td>
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<tr>
<td>Mass Communication</td>
<td>All students with busar holds</td>
</tr>
<tr>
<td>• Automated e-mail notifications</td>
<td></td>
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<tr>
<td>• Effective for most students</td>
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<tr>
<td><strong>Phase Two:</strong></td>
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<tr>
<td>Personalized Support</td>
<td>Students needing assistance to resolve holds</td>
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<tr>
<td>• Phone or in-person counselling</td>
<td></td>
</tr>
<tr>
<td>• Discuss reasons for hold and potential solutions</td>
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<tr>
<td><strong>Phase Three:</strong></td>
<td></td>
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<tr>
<td>Additional Funding</td>
<td>Students in financial distress</td>
</tr>
<tr>
<td>• Undistributed Perkins loans</td>
<td></td>
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<tr>
<td>• Emergency grant aid (see page 21)</td>
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</tbody>
</table>

Source: University Leadership Council Interviews and analysis.
Inexpensive bursar hold interventions can have a significant impact on retention. In just the two weeks prior to registration, Xavier is typically able to reduce the number of students on bursar hold by over half. Nearly 90 percent of holds will be cleared before the start of the next semester. Xavier estimates that these efforts reduce attrition rates by 5 to 8 percent annually.

Resolving Bursar Holds Credited with Improving Retention Rate

Reduction of Students with Bursar Holds
Xavier University, Fall 2006

<table>
<thead>
<tr>
<th>Two Weeks Prior to Registration</th>
<th>Beginning of Registration</th>
<th>Start of Spring Semester</th>
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<tbody>
<tr>
<td>694</td>
<td>335</td>
<td>72</td>
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Greater than 50% reduction in number of students unable to register on time for spring semester

Estimated Impact on Retention

<table>
<thead>
<tr>
<th>Estimated Retention Rate Without Intervention</th>
<th>2007 Xavier University Retention Rate</th>
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<tbody>
<tr>
<td>80% - 83%</td>
<td>88%</td>
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</table>

Bursar hold intervention worth 5% - 8% annually

Source: University Leadership Council interviews and analysis.
The complexities of the financial aid application process often overwhelm students and obstruct the distribution of funds. Bursar holds may result from missing or incomplete financial aid paperwork that delays deposit of expected funds to the student’s account. These problems are especially common for first-generation and non-traditional students. Tiffin University closely monitors each step of the financial aid application process and proactively extends counseling to students with missing or incomplete forms.

**Ensuring Timely Submission of Financial Aid Paperwork**

* Tiffin University

**Targeting Assistance Across the Year**

**Spring Term—Returning Students**
- Monitor missing applications from current students on aid
- Set goal of resolving all issues prior to departure for summer

**Summer Term—Incoming Students**
- Monitor incomplete applications
- Work remotely with students to resolve majority of issues before their arrival on campus

<table>
<thead>
<tr>
<th>A Complex Process</th>
<th>Financial Aid Forms</th>
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<tbody>
<tr>
<td></td>
<td>FAFSA Application</td>
</tr>
<tr>
<td></td>
<td>Master Promissory Note</td>
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<tr>
<td></td>
<td>Entrance Counseling</td>
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<tr>
<td></td>
<td>Acceptance of Award</td>
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<tr>
<td></td>
<td>Revolving Credit Agreement</td>
</tr>
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<td></td>
<td>Verification Worksheet</td>
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</tbody>
</table>

Source: University Leadership Council interviews and analysis.
En masse financial aid counseling is a cost-effective alternative to individual meetings. To reach more students without adding staff, Tiffin has begun offering en masse counseling sessions where students with outstanding paperwork can get all of their financial aid application issues resolved on the spot. Tiffin found that it is much easier to get students to show up and complete paperwork at a special event than it is to get them to come one by one to the financial aid office.

Tiffin University’s “Financial Aid Frenzy”
Special Event for Solving Financial Aid Issues

1. **Personalized Invitation**
   - Retention expert generates letters outlining missing financial aid paperwork, inviting student to special workshop

2. **No-Miss Delivery**
   - RAs hand deliver invitation to students in their residence halls

3. **Solution-Focused Workshop**
   - One-hour session in a classroom with computers, forms, treats, and financial aid staff to walk students through completion of paperwork
   - Three workshops offered in fall semester, one in spring

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**Getting Students to Show Up**

"What we've found, surprisingly, is that students are more likely to come to Financial Aid Frenzy than they are to come to the Financial Aid Office. Maybe the Financial Aid Office is intimidating to them, or maybe they feel like they're getting called to the principal's office. All I know is that we schedule time in a classroom, arrive with a bag of candy, and have more students show up than we can get to go to Financial Aid."

Cam Cruickshank
Vice President for Enrollment Management
Tiffin University

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Source: University Leadership Council interviews and analysis.
Tiffin's financial distress outreach efforts have dramatically reduced the number of students leaving campus for the summer with bursar holds. Tiffin enrolls just 1,650 students, thus this improvement is expected to have a significant impact on retention rates.

**Resolving Problems Before Summer Departures**

<table>
<thead>
<tr>
<th>Students with Bursar Holds at End of Spring Term</th>
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<tbody>
<tr>
<td><strong>Tiffin University</strong></td>
</tr>
<tr>
<td>Prior to 2009: 120-130</td>
</tr>
<tr>
<td>2009: 14</td>
</tr>
</tbody>
</table>

New outreach produces >85% reduction in students leaving campus for summer with bursar holds

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<thead>
<tr>
<th>Retention Improvement</th>
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<tbody>
<tr>
<td><strong>Tiffin University, 2008 to 2009</strong></td>
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<tr>
<td>2008: 82.5%</td>
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<tr>
<td>2009: 86.1%</td>
</tr>
</tbody>
</table>

Source: University Leadership Council Interviews and analysis.
Dear Student,

As Director of the Office of Student Success and Retention, I would like to bring to your attention that the Bursar’s Office at Xavier University is placing a “Hold” on your priority registration for the fall 2009 semester. Your account needs to be current (if you are on the five payment plan) or paid in full prior to your being able to register for the fall 2009 semester. Please contact the Bursar’s Office to make payment arrangements.

Should you need any assistance from my office, please contact me or Molly Maher, Assistant Director in the Office of Student Success and Retention. Molly and I can be contacted at 503-745-3036. The Financial Aid Office is also available to assist you with any financial aid concerns. Priority registration for the fall semester is Monday, March 30 through Friday, April 3, 2009.

Realizing that your education is very important to you and to us, as every student matters, we want to help you to the best of our ability. Please do not hesitate to get in touch with us for our assistance or if you should have any questions.

If you would like to make a payment you may go to the Bursar website at www.xavier.edu/bursar/payment.

Sincerely,

Adrian A. Schiess
Director
Office of Student Success and Retention

Molly Maher
Assistant Director
Office of Student Success and Retention

Source: Office of Student Success and Retention, Xavier University; University Leadership Council interviews and analysis.
Practice #7: Transcript Request Monitoring

Description
An associate dean meets with first-year and second-year students who have requested their transcripts be sent to other universities. The goal is to identify students considering a transfer, discuss their concerns, and see what can be done to persuade them to stay.

Recommended For: All selective colleges and universities (especially selective private institutions)

Council Assessment of Effectiveness
Often overlooked in discussions of student retention are students who leave the university not because of academic or financial struggles but because they are transferring elsewhere. Often times these students are among the most academically promising on campus, making this type of student attrition particularly painful.

It can be difficult to identify transfer risks in time to intervene. Some universities are monitoring transcript requests to spot students who might be making a move. The process is far from perfect—most students who request transcripts have no intent of transferring, and the face-to-face process necessary to determine legitimate transfer risks is time consuming. Nevertheless, the Council believes that monitoring transcript requests has promise as an early warning system for universities focused on reducing transfer rates. This practice will be especially effective at smaller private universities that can provide extensive one-on-one attention for students dissatisfied enough to consider leaving the institution. Larger universities will have to develop this practice further to make it scalable to their student body size.

Implementation Tips
The technological infrastructure and personnel necessary to implement this practice are already in place. The dean of students should work with the registrar to generate rosters of students requesting transcripts every two weeks. These rosters should then be distributed to the colleges for follow-up by associate deans or advisors.