



2024 RNL Report

Overcoming Financing Fears: How to Communicate with Students & Families

WEBINAR | ARDEO.ORG

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Welcome & Introductions



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Agenda

1. Understanding Financing Fears
2. Families' Preferences and Perceptions of College Planning Communication & Information
3. Success Story - University of the Cumberland

Demographics

11,309 completed responses

83 participating institutions

Ethnicity

Asian	10%
Black	13%
Hispanic	19%
Middle Eastern*	2%
Multi-racial*	3%
American Indian*	2%
White	64%

Family income

Less than \$30,000	11%
\$30,000 to \$59,999	12%
\$60,000 to \$99,999	16%
\$100,000 to \$149,999	22%
\$150,000 to 199,999	15%
\$200,000 to \$249,000	10%
\$250,000 or more	14%

Institution region

Far West	14%
Great Lakes	6%
Mid-East	14%
Plains	11%
Rocky Mountains	4%
Southeast	38%
Southwest	13%

Type of institution

Private	35%
Public	50%
2-year	15%

Institution undergraduate size

5,000	34%
5,001-9,999	28%
10,000-19,999	10%
20,000	28%

Region of residence

Far West	20%
Great Lakes	10%
Mid-East	12%
Plains	8%
Rocky Mountains	5%
New England	2%
Southeast	32%
Southwest	11%

High school year

9th grade	3%
10 th grade	5%
11 th grade	11%
12 th grade	81%

First-generation status

Continuing generation	66%
First generation	34%

If you would like to participate in the 2025 Prospective Family Engagement Study, scan the QR code





Understanding Financing Fears

News Stories Report Extreme Student Debt Cases

\$93,393

Average loan balance held by individuals featured in stories published by top 20 U.S. news sources^x



\$28,400

Average student loan debt at graduation, according to the College Board[®]



^x These findings are based on data collected from the top 15 US news sources from August 2020 to August 2021. They consist of each time an article mentions the "student loan debt" of an individual student. This is an update of prior work from Matt McDonald and Pat Brady, "The Plural of Anecdote Is Data (Expect for Student Debt)," Hamilton Place Strategies, 2014, https://www.consumerfinance.com/wp-content/uploads/sites/14/2014/08/Media-coverage-of-student-debt_1.pdf xi Ma, Jennifer, and Matea Pender. "Trends in College Pricing and Student Aid 2021." *College Board*, College Board, 2021, research.collegeboard.org/media/pdf/trends-college-pricing-student-aid-2021.pdf.

2024 Pew Research – Is College Worth It?

47%

47% of adults say the cost of college is worth it, **only** if you **do not have to take out loans.**



1 in 4

Only 1 in 4 adults say it's **extremely** or **very important** to have a **4-year college degree** in order to get a well-paying job in today's economy.

22%

Only 22% of adults say the cost of college is worth it **even if someone has to take out loans**



Fear Of Student Debt Is A Growing Problem

Enrollment Managers Say:



Eighty-one percent* of Admissions Directors believe their institution is losing potential applicants due to concerns about accumulating student (and parent) loan debt.

2019 Inside Higher Ed Poll of Admissions Directors

More Aid is Unsustainable:



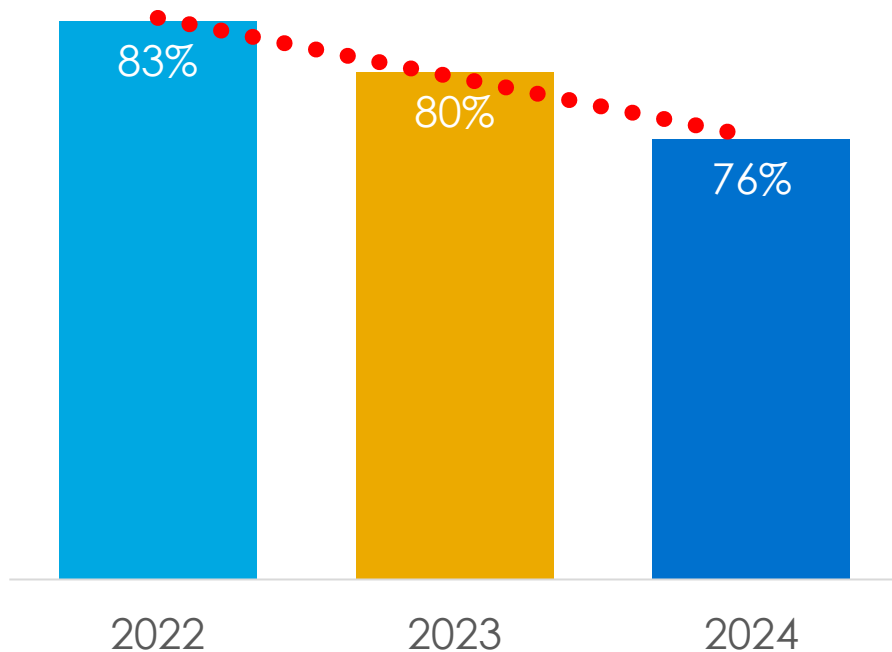
Ninety-eight percent of non-matriculant students & families whose FA offer was insufficient would require more than \$4,000 in additional aid to change their decision.

2019 Credo Combined Admitted Student Research

Older 2019 data was used to avoid bias from Covid-19 Pandemic related fears.
91% of private non-profit admissions directors & 72% of public admissions directors

Is College a Worthwhile Investment?

Prospective Families

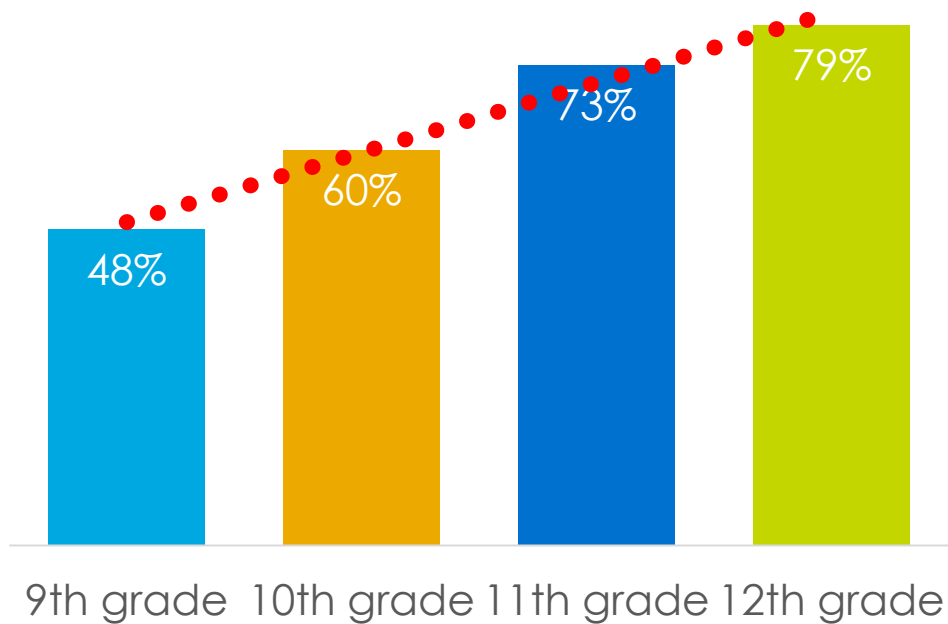


76%

Of prospective families think college is a worthwhile investment in their students' future

Is College a Worthwhile Investment?

Prospective Families by Grade

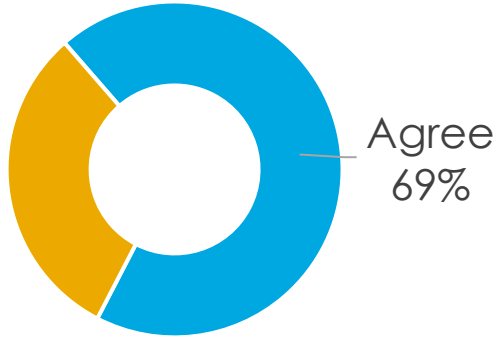


79%

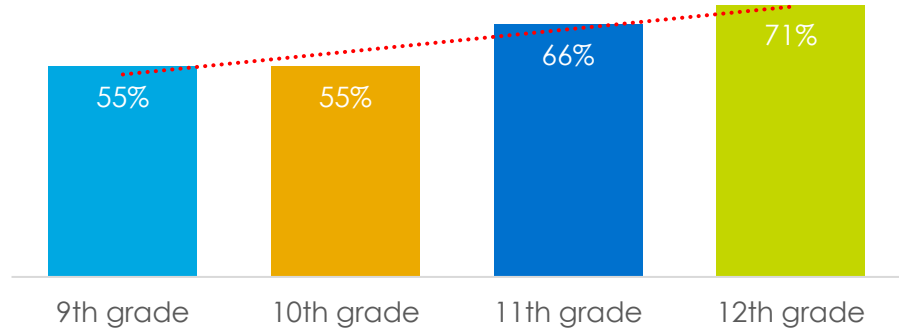
Of prospective families with students in 12th grade think college is a worthwhile investment in their students' future

Borrowing Fears

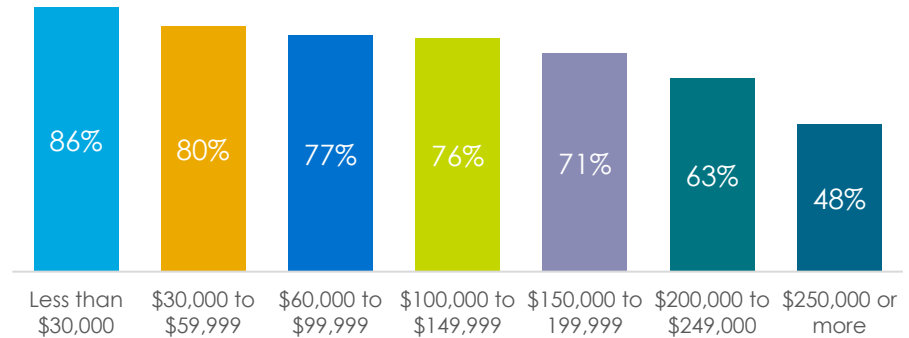
Family's Perspective



Borrowing Fears & Student's High School Year

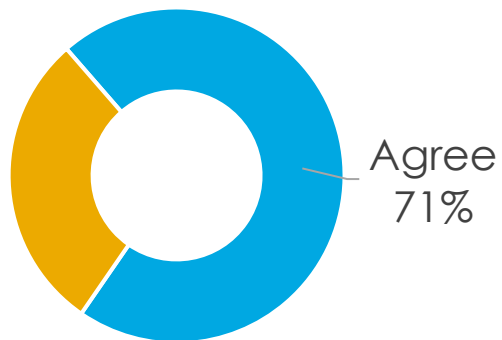


Borrowing Fears & Family Income



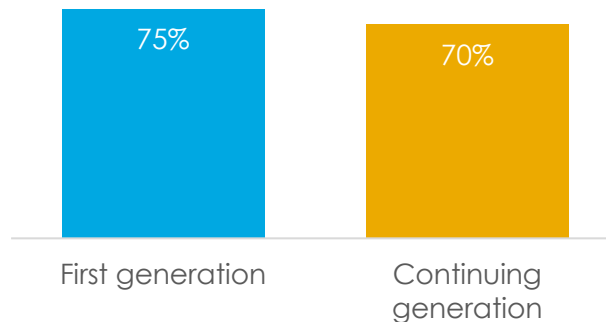
Borrowing Fears Effect On College Planning

Family's Perspective

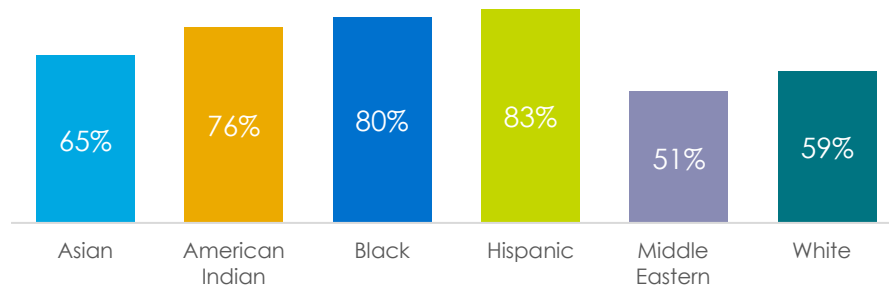


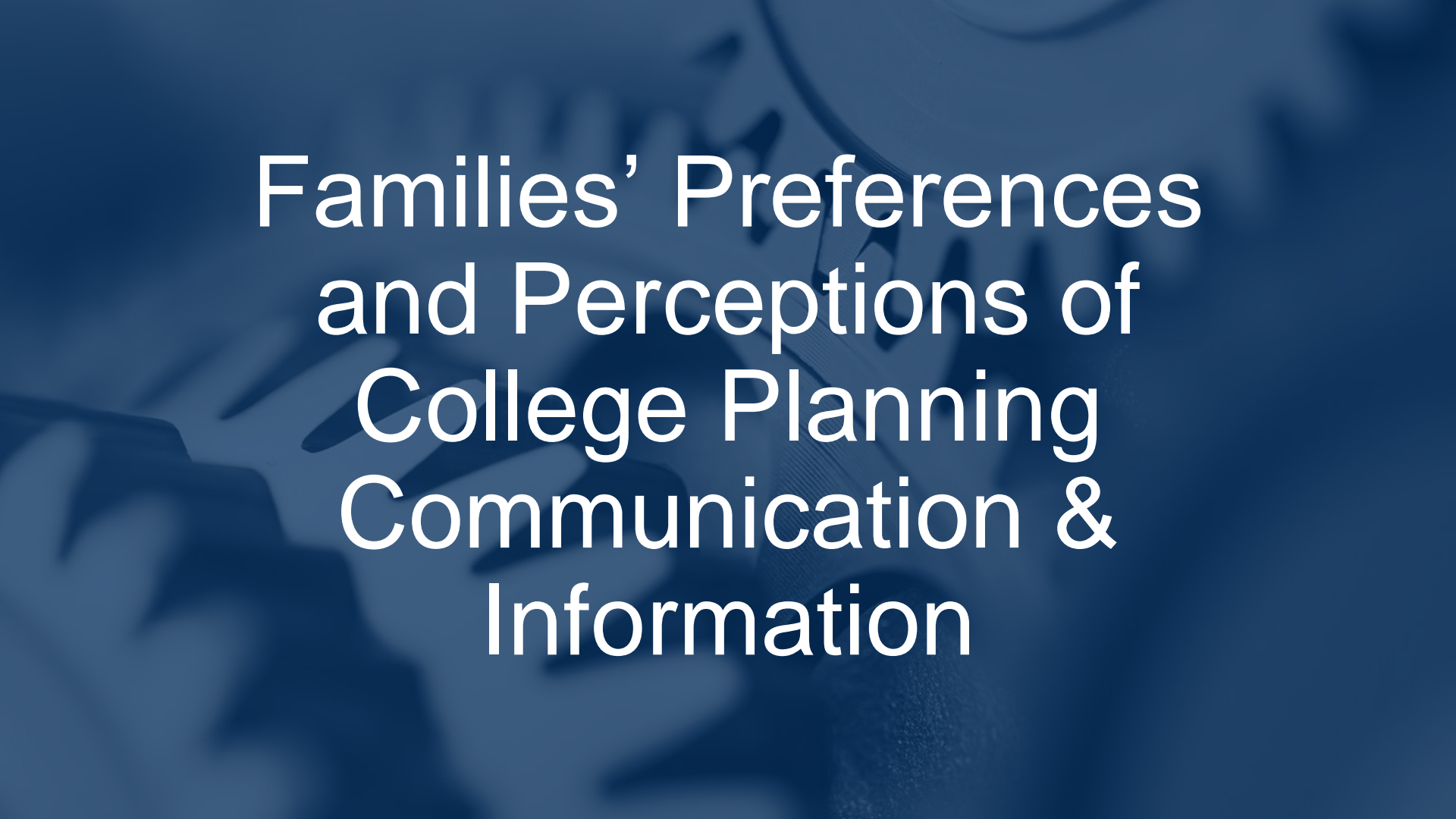
Loan concerns are negatively impacting student's college planning

Effect of Borrowing Fears & First-Generation Status



Borrowing Fears & Ethnicity



The background of the slide features a dark blue, semi-transparent image of several hands reaching out to hold a globe. The hands are positioned around the globe, with fingers spread, symbolizing global unity or shared responsibility. The overall aesthetic is professional and academic.

Families' Preferences and Perceptions of College Planning Communication & Information

Information families want to know



Cost and tuition



Academic calendar



Graduates finding jobs



Academics (programs, majors, and minors)



Financial aid/scholarship calculator



Career services (assistance with resume, job search, interview skills, etc.)



Financial aid and scholarships



Campus safety



Academic support (e.g. student disability services, tutoring, writing support)



Account services and payment plans



Residential life/housing



Health services (including mental health)

Information families can't find



Graduates finding jobs



Health services (including mental health)



Diversity and other demographics



Career services (assistance with resume, job search, interview skills, etc.)



Campus safety



What makes the institution different



Account services and payment plans



Financial aid and scholarships



Financial aid and scholarships



Academic support (e.g. student disability services, tutoring, writing support)

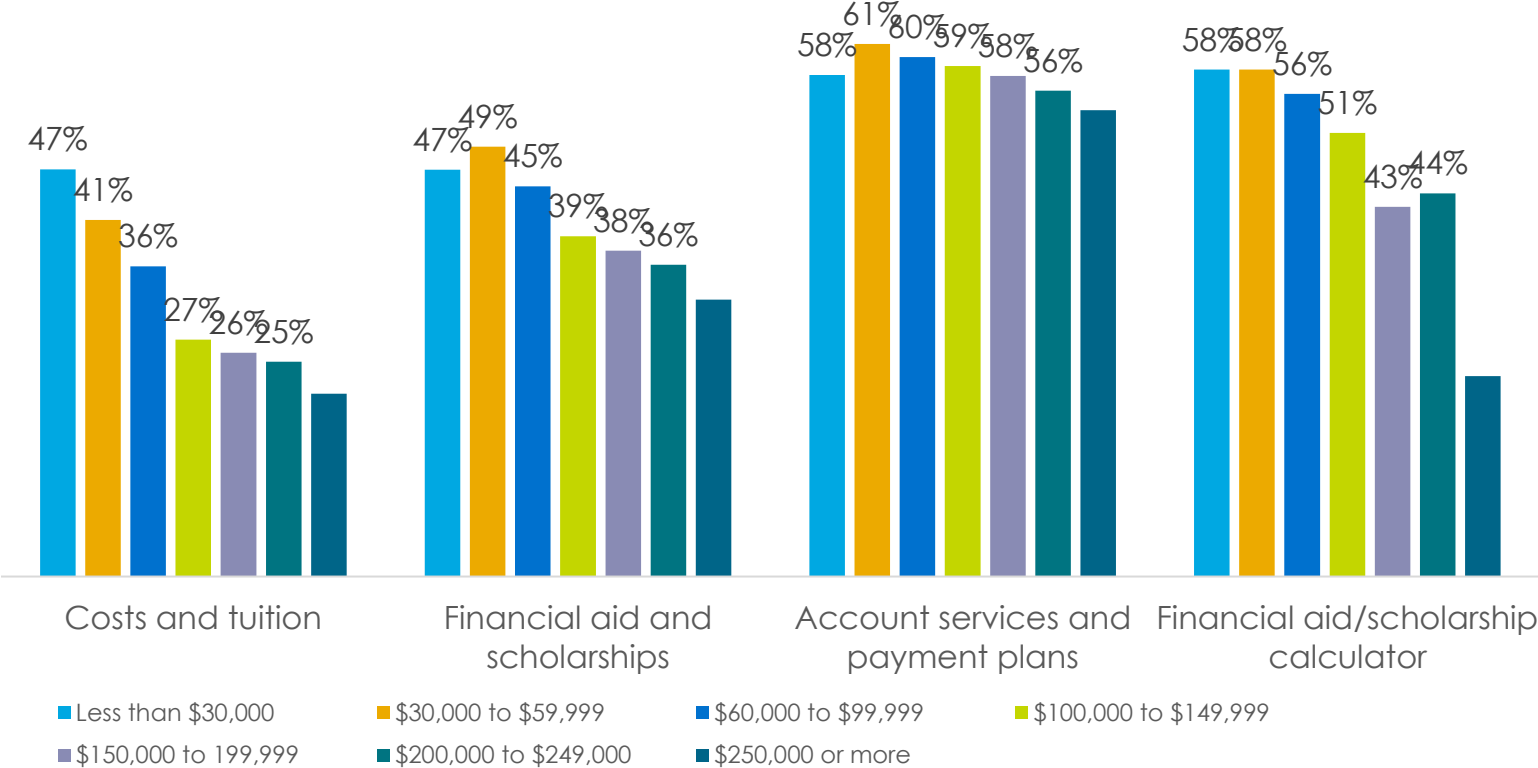


Financial aid/scholarship calculator

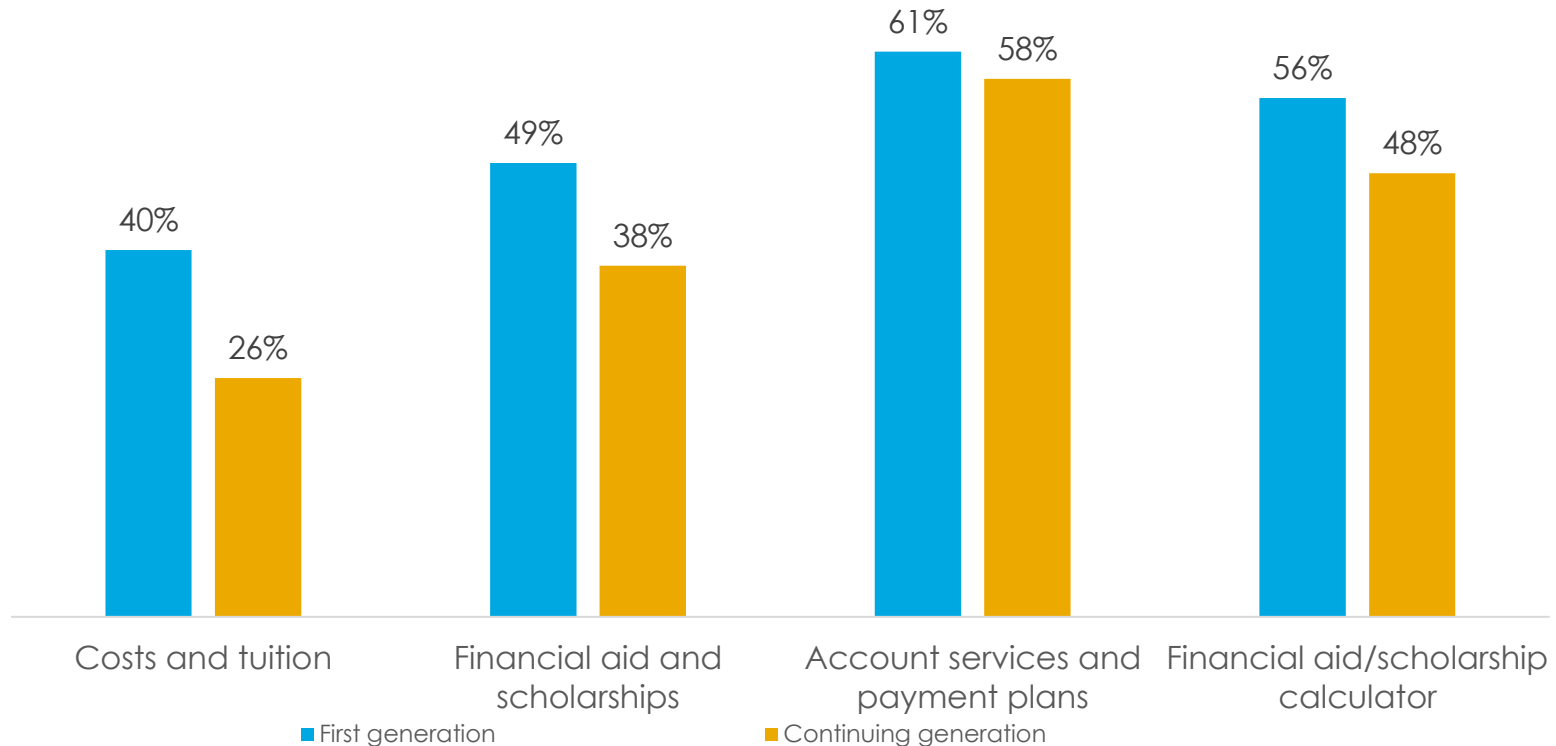


Events on campus (athletics, plays, concerts, etc.)

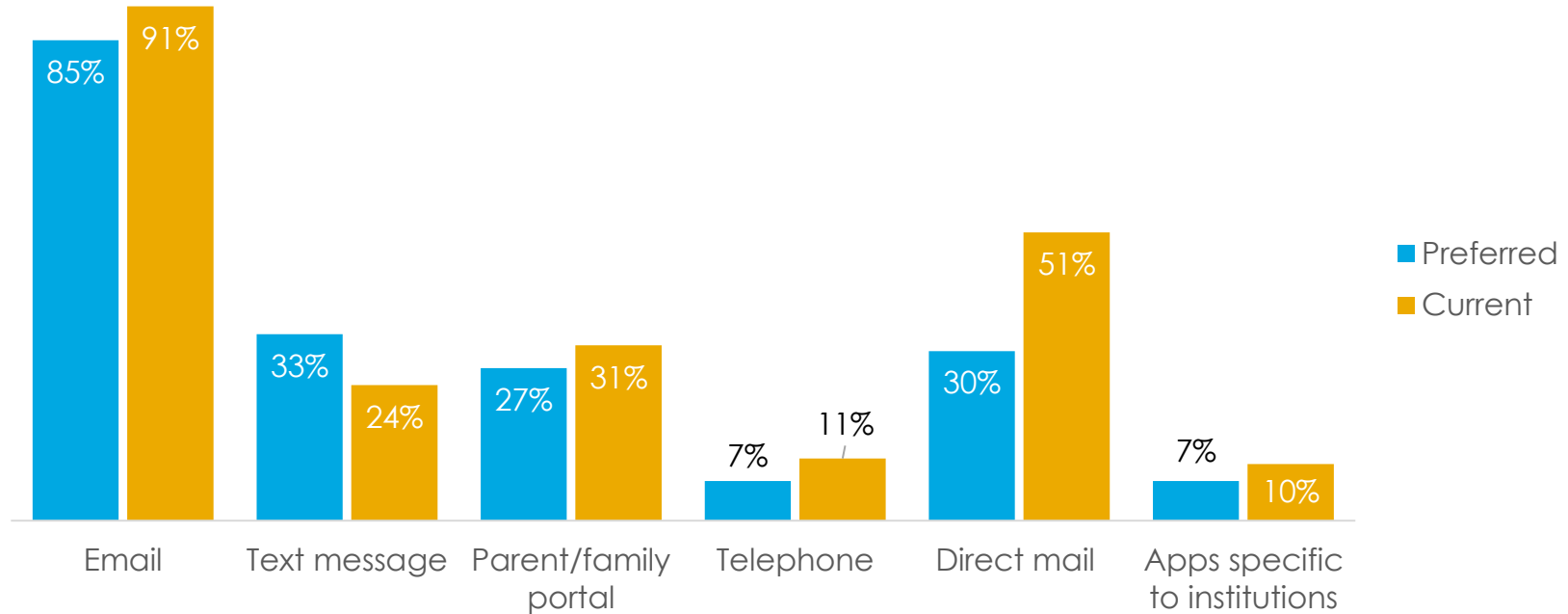
Information Families Can't Find & Family Income



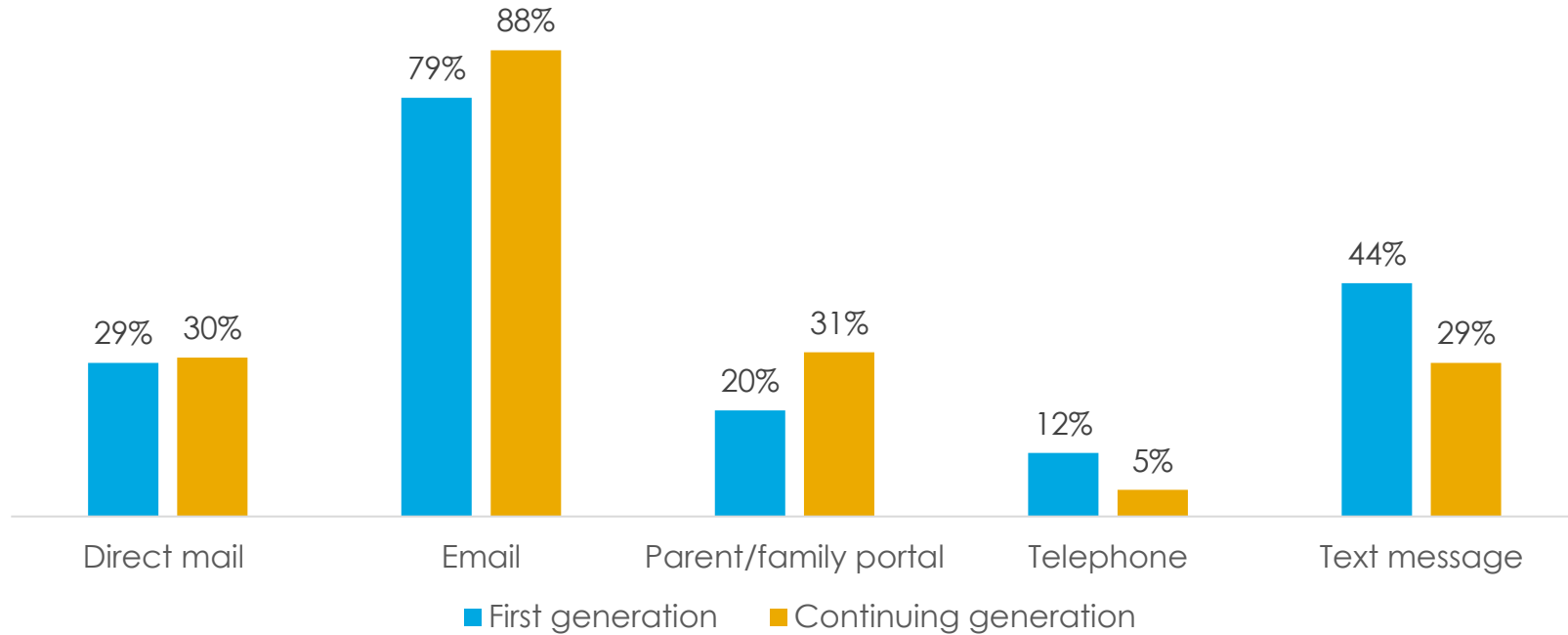
Information Families Can't Find & First-Generation Status



Channels to Receive Communication from Institution



Channel Preference & First-Generation Status



What You Can Do With This Info

- **Financial fears are real**

- Families want to know about

- Cost
 - Financial Aid
 - Scholarships
 - Payment Plans
 - Outcomes related to income

- What can't they find?

- Best case scenario, more than half surveyed say they can't find this data

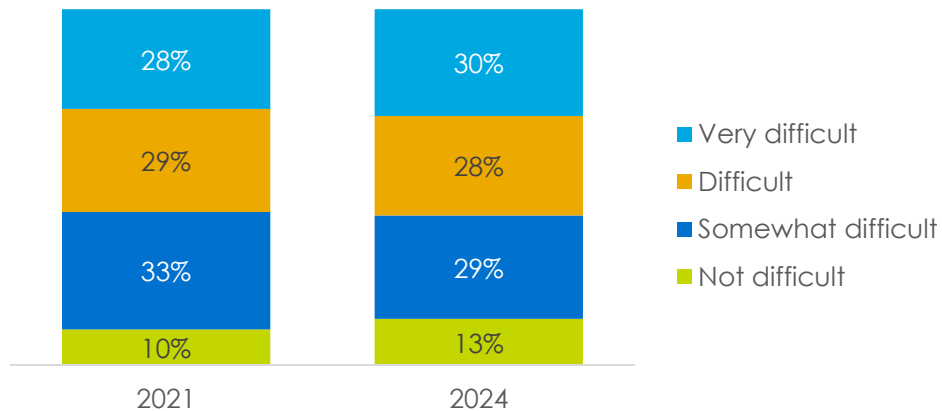
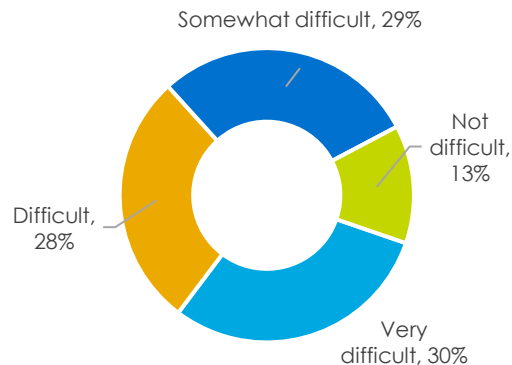
- **Our communication STINKS**

- They want to hear from us weekly (how many are doing that now)
 - They want it via email (demographics don't matter)

The background features a dark blue gradient with several interlocking gears of various sizes and orientations. Overlaid on the gears are several white musical notes, including quarter and eighth notes, scattered across the scene. The overall aesthetic is technical and rhythmic.

Families' Perceptions of College Financing

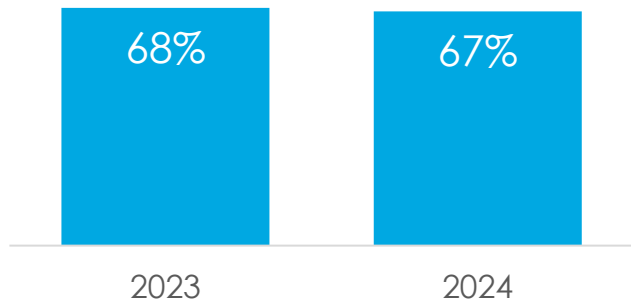
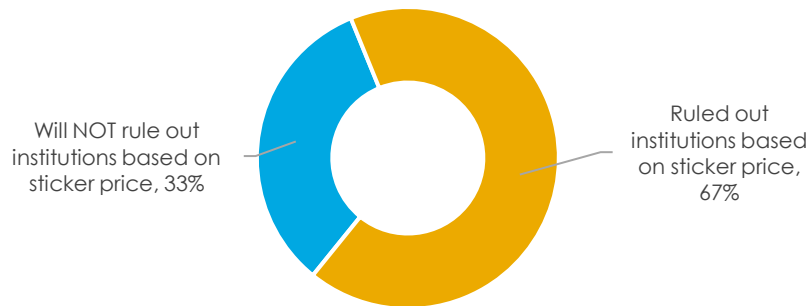
Financing Difficulty



87%

Of families think paying for college is difficult

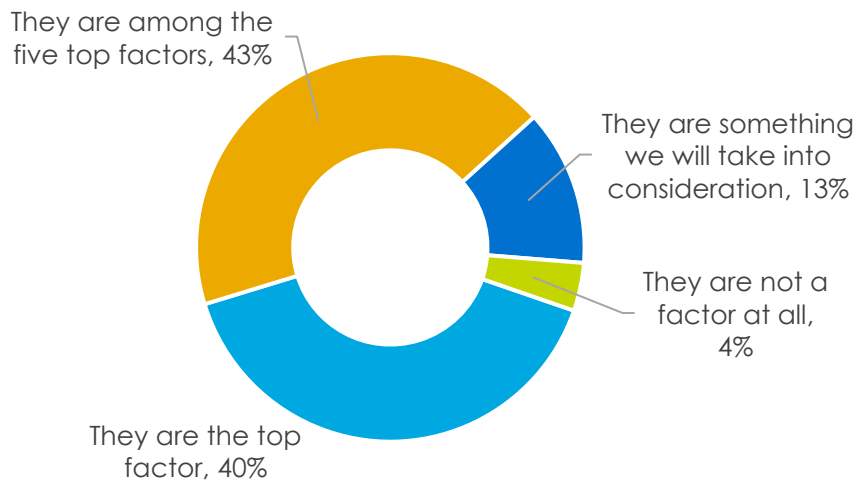
Ruling Institutions Out Based on The Sticker Price



67%


Of families have ruled out institutions based on the sticker price

Importance of Financial Aid & Scholarships



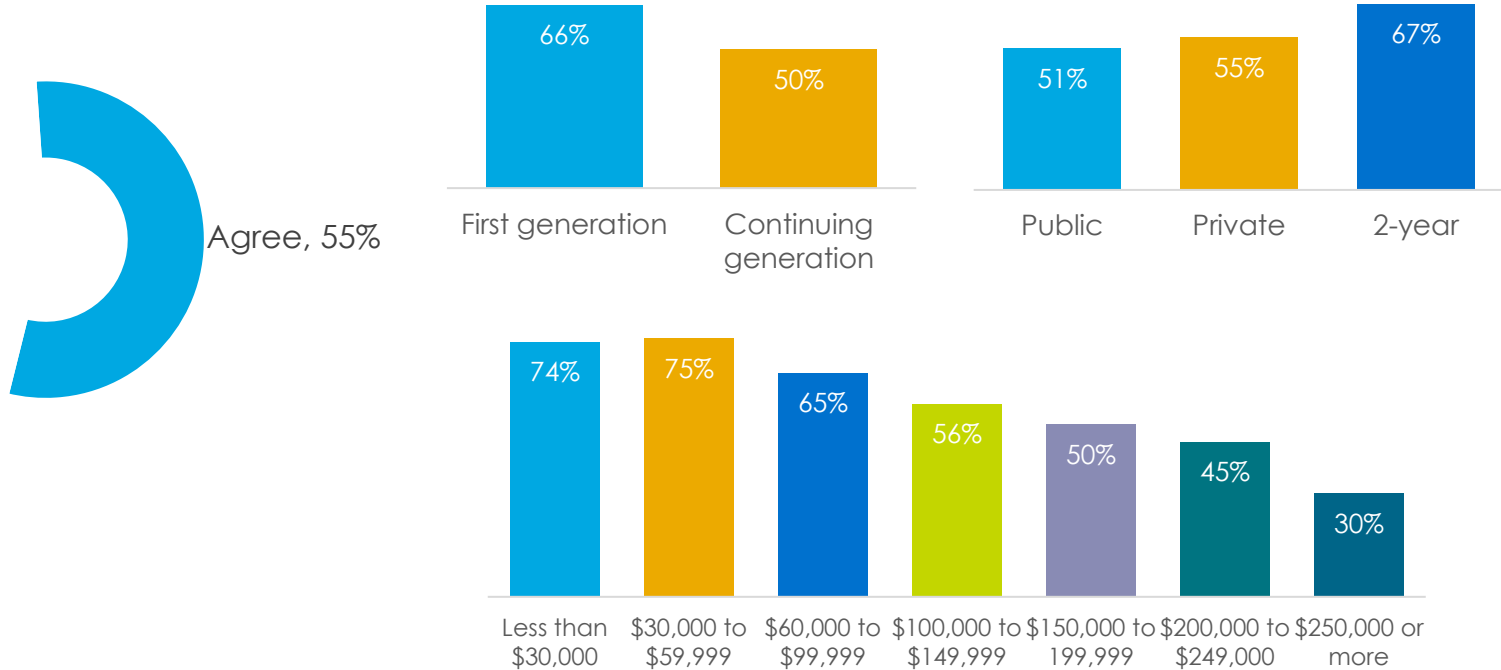
83%

Of families think financial aid and scholarships are among top five factors to stay at an institution

The background of the slide is a dark blue color with a faint, semi-transparent image of several hands holding coins. The hands are positioned as if they are about to drop or are holding the coins, and the coins are scattered around them. The overall aesthetic is professional and financial.

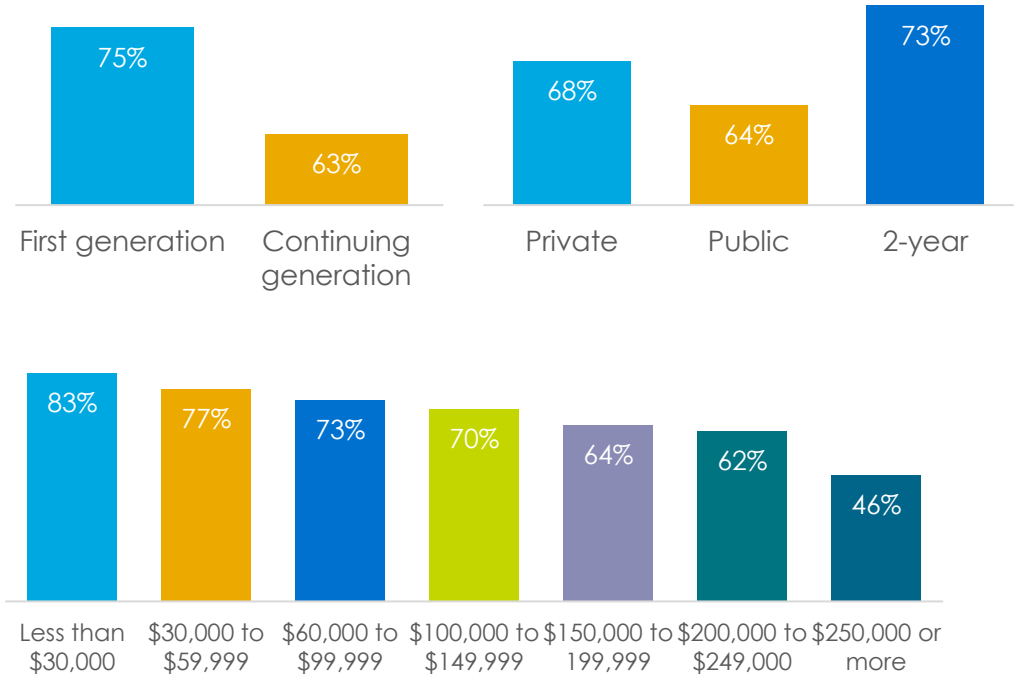
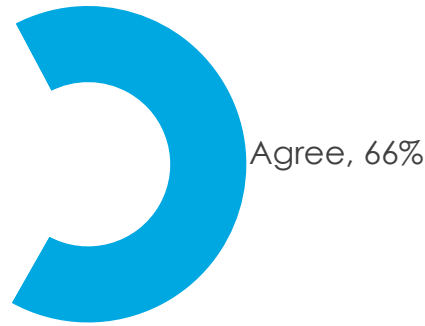
Families' Perceptions of Loan Repayment Assistance Programs (LRAPs)

Being offered a Loan Repayment Assistance Program (LRAP) would impact where my student decides to enroll.



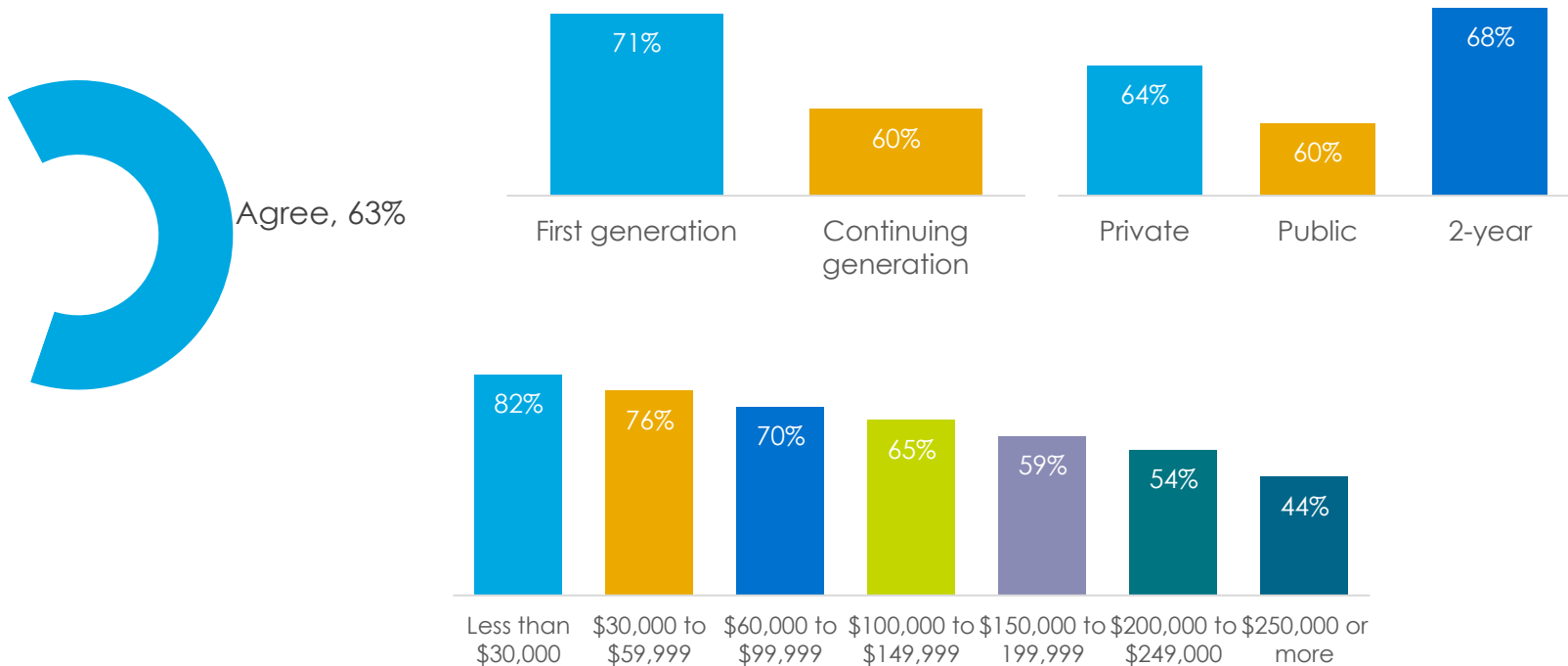
Perceptions of LRAP program

I would be interested in receiving such a program as part of my student's financial aid package.



Perceptions of LRAP program

All other things being equal, we would favor an institution that offered our family this program (an LRAP).





What is an LRAP?

Loan Repayment Assistance Programs (LRAPs)

LRAPs are an **enrollment tool** that positively impact enrollment and persistence decisions.

The LRAP Promise

If a student's income after graduation is modest, their LRAP will help them repay their loans, including:

- Federal student
- Parent PLUS
- Private alternative



How LRAPs Work for Colleges

- **LRAPs are generally overseen by admissions and financial aid offices.**
- **College chooses students to award an LRAP, at no cost.**
 - Increase New Enrollment (Freshmen or first-year students)
 - Transfer/Readmit (Students must have two years remaining before graduation)
 - Retention (Students must not have started a term as a junior)
- **Ardeo trains and supports colleges throughout the year.**
- **Ardeo provides communications support – from communicating the LRAP award offer to your prospects, to educating students and families via email, phone, and mailings.**



How LRAPs Work for Students

- **Students (and parents) learn about LRAP from emails & calls.**
 - They visit the landing page to learn more and accept LRAP.
 - At graduation, we tell them how to receive repayment assistance.
- **Students graduate (must be from your college):**
 - Work an average of 30+ hours per week.
 - Earn less than their Income Limit (e.g., \$45,000).
 - Make their loan payments (federal, private alternative, parent PLUS).
- **Ardeo administers the assistance process.**
 - Paid directly to students and/or parents.
 - Reimbursement is based on their income after graduation (proportional between the Income Limit and Income Proration Threshold).
 - Continues until their loans are repaid entirely or until they earn more than their Income Limit.



What You Can Do With This Info

- Finding: Most families believe financing college will be difficult, a majority rule out colleges simply on sticker price... “We can never afford them.”
 - Response: We need to “over-educate” throughout our funnel, across all ages, and use every medium, early and often, to shift this perception. Mix examples/stories and data to win hearts and minds.
- Finding: It is not surprising then that scholarships and need-based aid are critical for initial enrollment and retention.
 - Response: Timing is just as important for returning students as for new...especially if your policies and practices change scholarships or need-based aid. People don’t like making major financial decisions in a vacuum...which is painfully evident for many this year.
- Findings: LRAPs attract most respondents and can be the tipping point for college decisions.
 - Response: Since you pay nothing upfront to offer an LRAP, you control the number of offers and can even shift institutional grant aid to cover the modest LRAP fee...you ought to pilot an LRAP, and also the new, no-cost-to-you option of Student Loan Insurance.



How the University of the
Cumberlands has done it



What We Knew



We knew that our actual cost wasn't out of control

- We knew that the sticker was scaring folks away
- Our mission is to serve rural Appalachia, and the sticker price didn't work



Did a deep analysis and study of the community and our missional area to determine what was needed



We didn't want to do a traditional reset model focused on a "true discount"



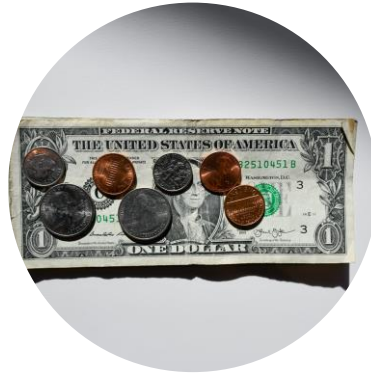
We knew that we would catch some flack

Cumberlands Commitment

Phase 1



Reduction of tuition by 57%



Tuition was reduced to less than
\$10,000 per year



Result: Biggest freshman class in
history (expected, right!)

Cumberlands Commitment- One Price Promise

Phase 2



ALL cost reduced to less than \$9,875 per year



NO hidden fees



Everything included. Yes, everything; tuition, room, board, housing, food, parking, etc.



Expanded to our Online UG programs of \$220/credit hour (all fees included)



Results

Another record incoming class.

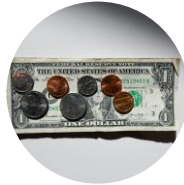
(Increases in grad and online programs)

Cumberlands Commitment - One Price Promise

Phase 3



Due to growth and exposure, the college raised \$25 million during the quiet phase of the capital campaign, funding the entire campaign.



Funding was used to quietly announce to traditional students that we guarantee that cost will not exceed \$4k per YEAR.



Traditional campus is capped on space without plans to build or extend.



Growth has come from online and will continue to do so from this point forward. The focus will be on providing quality, affordable education.

Overall enrollment
2018=13,009
2023=20,536

57% increase



We STILL have students who are concerned about cost, and we continue to utilize the versatility of LRAP.

Final Takeaways

Getting This Right Can Make a Huge Difference

Pricing and Financial Aid Policies, can set you up for success, but...

Communication surrounding your policies to the breadth of families with their communication preferences in mind means:

- Starting early, as they enter high school
- Utilizing multiple channels, because no one channel will reach all
- Students AND parents
- Customize whenever possible
- In-person and on-demand

If you want to be notified when this report is available, please email Raquel Bermejo.

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