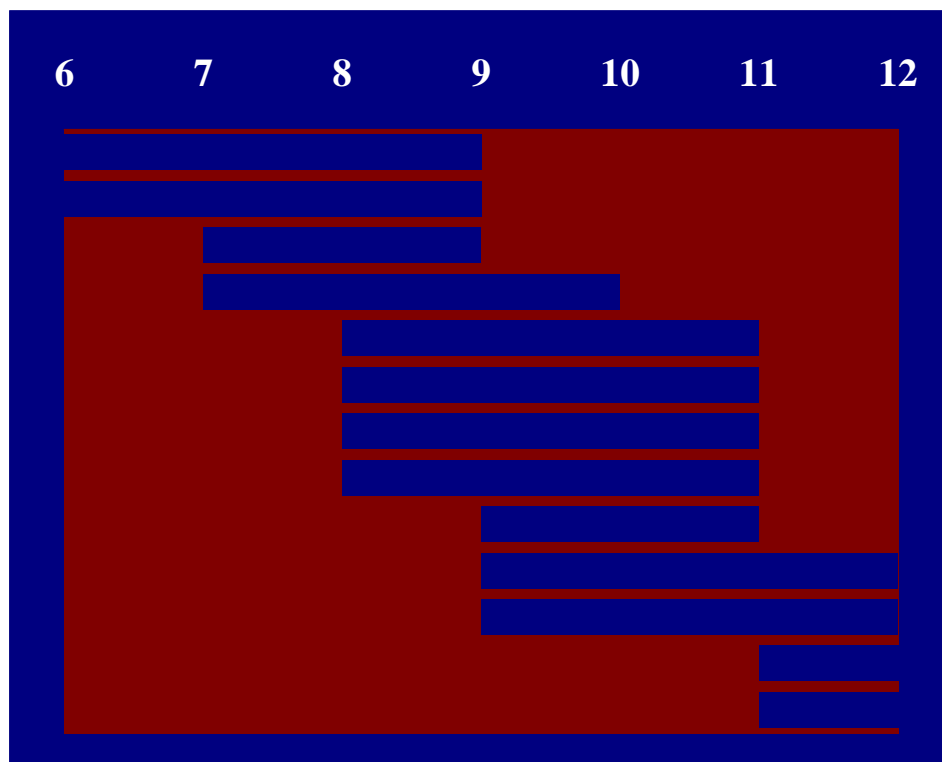


# EARLY & OFTEN

## DESIGNING A COMPREHENSIVE SYSTEM OF FINANCIAL AID INFORMATION



ABRIDGED REPORT OF

THE ADVISORY COMMITTEE ON  
STUDENT FINANCIAL ASSISTANCE

JULY 2008

**ADVISING CONGRESS AND  
THE SECRETARY OF EDUCATION  
FOR NEARLY 20 YEARS**

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*The Advisory Committee on Student Financial Assistance (Advisory Committee) is a Federal advisory committee chartered by Congress, operating under the Federal Advisory Committee Act (FACA); 5 U.S.C., App. 2). The Advisory Committee provides advice to the Secretary of the U.S. Department of Education on student financial aid policy. The findings and recommendations of the Advisory Committee do not represent the views of the Agency, and this document does not represent information approved or disseminated by the Department of Education.*

## INTRODUCTION

Students and parents need ample time and accurate information to prepare for the financial burden of a college education—those who lack this knowledge base face a significant access barrier to higher education. The early intervention community is calling for a method of delivering age-appropriate information in a timely manner as one means of rectifying an access divide that grows wider each year. This report presents a systematic way to develop an early information delivery program and describes how a program can integrate a method of delivering financial aid information into an existing intervention.

The full length report provides a complete, high-level structure of that system enabling practitioners to implement the specific approach most appropriate for their target population and intervention. This abridged version highlights the most important elements in the report leaving out the details that explain the research supporting the findings guiding our recommendations. The abridged version also excludes program examples that exemplify the recommendations. This document is meant as a quick reference guide directing the reader to the parts of the full report that may prove most useful. Page references to the full report are provided.

To assist students and families in making informed choices about the financial decision to attend college, three questions must be addressed:

***What information do students need to know?***

A comprehensive framework of information is presented that provides detailed subcategories of information students should know within four broad areas: Benefits of Higher Education, College Expenses, Paying for College, and Forms and Processes.

***How can that information best be delivered?***

The report lays out a set of ten guidelines to help practitioners tailor delivery to a target population. Each of the ten guidelines has been proven both through research and program implementation, and programs will find that a combination of the guidelines will help meet individual program objectives.

***When is the most appropriate time to deliver the information?***

One possible timing structure identifies an appropriate time to begin and end delivering each component of information to students throughout middle and high school. A series of unit plans based on that timing structure presents a sample of existing resources that can assist with the information delivery. The unit plans may also help in the development of a curriculum for financial aid information.

The report is a complete resource on early financial aid information and seeks a wide audience, including curriculum developers, policymakers, college advisors, and the early intervention community. By adapting the framework, guidelines, and unit plans to suit the needs of a program's target population, practitioners may use the resources in this report to develop a financial aid information system uniquely geared to the needs of their own students.

## **FRAMEWORK OF EARLY FINANCIAL AID INFORMATION**

Existing research shows that students and families do not have the most useful information about financial aid to inform college-going decisions. To address this issue, the Advisory Committee on Student Financial Assistance proposes an information framework (**page 11**) that organizes the components of financial aid information into four broad categories outlined in greater detail below. Delivery of all four categories ensures students understand the complete cost/benefit analysis of the college-going decision, have knowledge of the full complement of aid programs available, and can navigate the processes of applying for and receiving aid. Each broad category is broken down into specific subcomponents of information that students should know in order to make accurate financial decisions about college preparation and enrollment. Those subcomponents are listed in the proposed timing chart at the end of this abridged report.

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### ***Benefits of Higher Education***

Ensuring that low- and moderate-income students and families understand the benefits of postsecondary education is imperative. Access to this vital information can positively influence their preparation for college enrollment. Efforts must be made to inform students and families about the economic and social benefits associated with higher education and various professions, including increased income, improved health, and greater civic involvement. Providing students with this information at an early age can inspire them to envision a brighter future for themselves through higher education and to take the necessary steps to prepare academically and financially for college. (**page 12**)

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### ***College Expenses***

The college expenses can vary across institutions, so providing students with an accurate picture of college expenses by institutional type may improve access. Additionally, few students and families understand the significant difference between sticker price and the net price of college, and many are undereducated about the breakdown of specific expenses, i.e., tuition, fees, room, board, travel, and textbooks. Total college expenses also go beyond a financial outlay to include the amount of time and effort a student puts forth to complete a degree. Time spent on education can come with the cost of working less than full time and having less leisure time. Effort costs include the mental exertion and labor students pour into their studies, which can affect their attendance and persistence. A comprehensive system of financial aid information must alleviate the confusion surrounding college expenses and reduce the negative impact a lack of information has on college enrollment and persistence. (**page 17**)

*Paying  
for College*

Early information on the availability, eligibility, and variety of financial aid is essential to promote access and persistence. Every student should learn that funding an education requires a reliance on many sources: federal and state governments, institutions, private resources, and personal financial resources. Each of these sources can provide financial aid in the form of grants and scholarships, loans, and work-study opportunities. Delivering information on the differences between need-based aid and merit-based aid will help students better predict which aid options will be available for them. Understanding the intricacies among such options is vital to successfully financing higher education. **(page 23)**

*Forms and Process*

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Ensuring college affordability requires a firm knowledge of the steps necessary to receive financial aid. The process of applying for aid, while simpler than it was 20 years ago, still requires an understanding of forms and timelines. In addition, legislative and regulatory changes frequently alter the aid system. We cannot assume that even prepared students automatically understand the process because issues such as receiving an early estimate of financial need, applying for a personal identification number (PIN) from the U.S. Department of Education, and reading a financial aid award letter all cause anxiety and frustration among many college applicants. Students receive some help with this type of information from high school guidance staff and college financial aid officers; however, a more comprehensive approach that links information provided from multiple sources (teachers, websites, news media, college guide books, etc.) would positively impact student enrollment. **(page 32)**

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## **GUIDELINES FOR DELIVERING EARLY FINANCIAL AID INFORMATION**

The 10 guidelines highlighted below suggest how the information in the framework can be delivered effectively. The intent of the guidelines is to ensure that students receive and understand the information by disseminating it through multiple channels and to enable programs to provide the context necessary for the information to be useful. Most programs will find that they already rely on several of these methods, and the Advisory Committee believes that the most comprehensive programs will find them all useful. Each guideline was identified through research and evidence of effective implementation in various programs and is discussed in the context of providing financial aid information. **(page 39)**

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### ***Intervene by 6<sup>th</sup> Grade and Continue through High School***

By starting in 6<sup>th</sup> grade, valuable information can be provided early enough to affect behavior on financial planning for college, information can be built cumulatively and systematically, trust can be gained between outreach providers and families, repetition can be incorporated to ensure adequate understanding of concepts, and evolving family financial circumstances can be discussed at different points in time. Programs working with specific age groups could partner with organizations targeting students at other grade levels to ensure the full complement of information is delivered. **(page 41)**

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### ***Involve Parents and Families in the College-Going Process***

Parents and families are a key motivating influence on students choosing to pursue college; therefore they require just as much information as their students to learn that aid is available and that college is a financial possibility. Although it is useful to occasionally involve parents in one-time activities such as financial aid nights, one-on-one FAFSA preparation, or workshops, greater success can occur if parents have sustained participation in program activities. **(page 45)**

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### ***Mentor Each Student***

Access to one specific person who has worked extensively with the student over time creates a sense of ease when guiding the family through the detailed elements of the financial aid application and ensures that each student receives the support necessary to successfully complete the application. The trust built between students and mentors aids in effective communication of the benefits to college and understanding the implications of various financial decisions. **(page 50)**

***Complete the FAFSA***

The FAFSA is the portal to getting any federal student aid, including grants and loans, as well as other sources of need-based aid. Since the FAFSA is the most critical step in the application process, any additional barriers that students and families may have in completing this step should be eliminated to the extent possible. Programs that assist every student with the completion of the application ensure that they will receive the maximum aid for which each is eligible. **(page 55)**

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***Adapt the Program to the Individual School Community***

Because schools and external outreach programs have a jointly vested interest in student success beyond secondary school, collaboration can improve the chances a student has of enrolling in college. The advantages of integrating early financial aid information delivery within the school environment include having an easily accessible audience, employing teachers who have a familiarity with the students and their learning styles, and providing a convenient setting alleviating transportation challenges. **(page 59)**

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***Integrate Language and Cultural Differences***

Regardless of the mix of cultural influences students face from various sources, early information programs can be more successful if the information presented is delivered in a way that is easily accessible and understood by the demographic group with which the program works. The value of a college education, averseness to debt burden, and inclination to remain near home are all common examples of valid perceptions that programs can address in an understanding and sensitive manner while encouraging students to pursue a college education. **(page 63)**

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***Partner with Community Organizations***

Partnering with local leaders and other community organizations can invest a greater population in the outcomes of a particular program. Entrenchment in the local environment can provide access to students whom an outreach program might not otherwise be able to reach, and community partners may be able to provide financial or in-kind support. Additionally, students and parents tend to respond to trusted leaders in their local community, so building those partnerships may further encourage students to succeed. **(page 66)**

***Encourage Peer  
Integration***

Students are likely to listen to others of similar age who are experiencing the same set of obstacles centered on applying to and affording college. Programs that can take advantage of naturally occurring peer-to-peer relationships can concentrate on providing information through peer channels reaching many students who would not otherwise take part in the intervention. Peer relationships enhance a program's ability to meet its goals. **(page 70)**

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***Formulate Program  
Evaluation Standards***

Program evaluation can help assess which program goals are being met and how they are being met. Evaluations can enhance the ability of the early information program to successfully provide financial aid information by promoting reflection on the success of current practices. When a program decides to enhance its services either through experimentation or adapting best practices learned from others, assessment can help determine the impact and success of those measures. **(page 74)**

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***Discuss Financial  
Literacy alongside  
Financial Aid***

To improve the effectiveness of providing financial aid information to students and families, relevant financial literacy topics should be taught in conjunction with financial aid information. Topics such as budgeting, saving, and credit and debt management are integral components of making wise financial decisions. As students better understand these concepts, they will be better prepared to comprehend and make the choice to enroll in and persist through college. **(page 78)**

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## **TIMING INFORMATION DELIVERY**

Because the information framework cannot effectively be absorbed within a short period of time, the system of delivering financial aid information in the full report suggests a timeline of delivery of age-appropriate information over the middle and high school years. **(pages 83-86)**

A visual representation of the timeline on the next page displays how each component of the four categories in the information framework could be delivered. The chart demonstrates the information's cumulative nature. For example, a discussion about the price of college can lead into the types of aid that can be used to finance it. The colors on the chart indicate the grade levels over which students receive components of the information framework. Green indicates when the information can begin to be delivered. The red color emphasizes that students need each component by a certain point in time because they face making a college related decision dependent upon that information, such as whether to save for college or whether to enroll in a college preparatory curriculum in high school.

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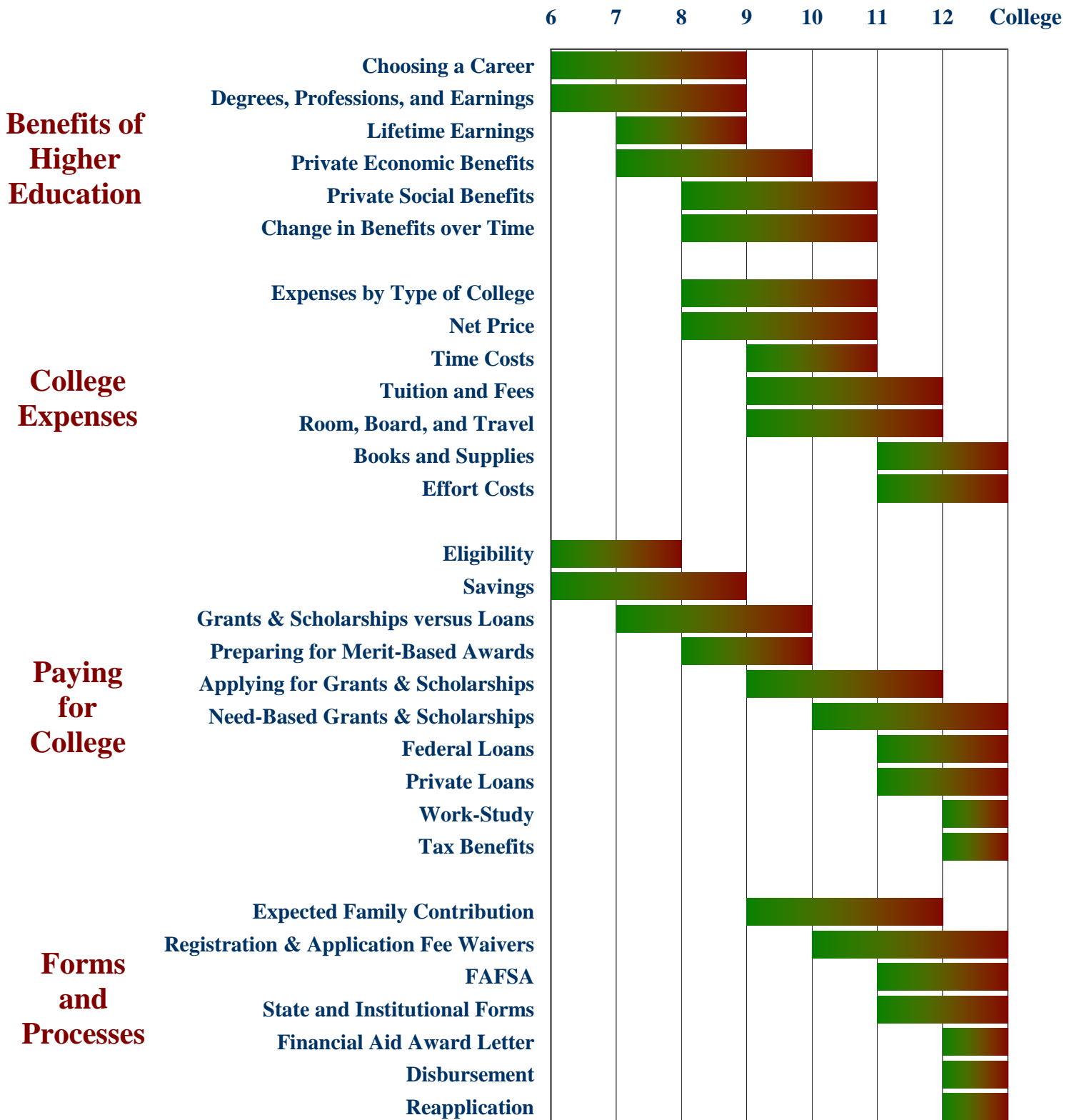
## **USING UNIT PLANS**

The full report follows the timing chart with a set of unit plans providing sample resources for each component of the information framework **(pages 86-137)**. The unit plans are divided by framework category and grade level so that practitioners can easily reference appropriate information.

Each unit plan contains a brief, one paragraph purpose that provides an overview of the framework category in that grade level. This paragraph is followed by the target information to be delivered. Next, the unit plans present sample resources, often with links, to direct practitioners to useful websites, reports, or books containing the target information. Finally, a sample figure is provided as an example of information that could be used to instruct students.

The unit plans are not intended to be a complete resource guide but rather to serve as a starting point for practitioners planning to develop a full curriculum of early financial aid information.

## TIMELINE OF INFORMATION FRAMEWORK DELIVERY



This serves as only one example of the ways in which the information framework could be delivered.