Research Report

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ENGAGING STUDENT BORROWERS:

Results of a Survey of Financial Aid Professionals

Trellis Company Research

By Jeff Webster, Chris Fernandez, Carla Fletcher, and Kasey Klepfer

PREFACE

Beginning in 2013, Trellis Company (formerly TG), conducted four discrete but related studies as part of a multiphase research project on student loan counseling in the United States. A fifth report summarized these studies and provided a public policy focus to the research initiative.

- ***Informed or Overwhelmed? A Legislative History of Student Loan Counseling with a Literature Review on the Efficacy of Loan Counseling:*** A literature review on loan counseling and financial education, combined with a history of legislation, regulations, and major government actions pertinent to federal student loan counseling;
- ***From Passive to Proactive: Understanding and Improving the Borrower Experience with Online Student Loan Exit Counseling:*** An interview and observation-based study on the borrower experience with online student loan exit counseling;
- ***A Time to Every Purpose: Understanding and Improving the Borrower Experience with Online Student Loan Entrance Counseling:*** An interview and observation-based study on the borrower experience with online student loan entrance counseling; and
- ***Above and Beyond: What Eight Colleges Are Doing to Improve Student Loan Counseling:*** A study of the promising practices in financial literacy training and student loan counseling currently employed at schools whose student loan borrowers outperform expectations; and
- ***Effective Counseling, Empowered Borrowers: An Evidenced-Based Policy Agenda for Informed Student Loan Borrowing and Repayment:*** A summary of the findings and implications of the four studies as well as broad conclusions on the policy and practice of student loan counseling.

The current study expands upon a November 2016 report by the Board of Governors of the Federal Reserve System — ***Student Loan Counseling Challenges and Opportunities: Findings from Focus Groups with Financial Aid Counselors.*** Focus group participants were asked: What loan counseling tools and strategies do schools use? What challenges do financial aid officers face in providing loan counseling? What reflections on public policy do focus group members have in light of their loan counseling focus group discussion? What recommendations would focus group members make to improve loan counseling effectiveness?

Comments and requests for additional information regarding this report or any of Trellis' other public policy publications are welcome. Please direct questions to:

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ADDITIONAL TRELLIS COMPANY PUBLIC POLICY PUBLICATIONS

State of Student Aid and Higher Education in Texas (SOSA), January 2017

Above and Beyond: What Eight Colleges Are Doing to Improve Student Loan Counseling, September 2015

A Time to Every Purpose: Understanding and Improving the Borrower Experience with Online Student Loan Entrance Counseling, April 2015

Informed or Overwhelmed? A Legislative History of Student Loan Counseling with a Literature Review on the Efficacy of Loan Counseling, February 2015

From Passive to Proactive: Understanding and Improving the Borrower Experience with Online Student Loan Exit Counseling, February 2015

Financial Aid at the Crossroads: Managing the Student Debt Crisis in Texas, December 2013

Behind the Numbers: Making Sense of Cohort Default Rates, December 2013

Balancing Passion and Practicality: The Role of Debt and Major on Students' Financial Outcomes, August 2012

With Great Challenges Come Great Opportunities: Promising Practices of Texas Community Colleges, June 2011

Digging Deeper: An Analysis of Student Loan Debt in Texas, November 2010

How to Graduate High-Risk Students: Lessons from Successful For-Profit Colleges and Schools in Texas, June 2010

The Toughest Test: The Student Loan Liquidity Crisis of 2007-08 in Texas, November 2008

Ready, Willing, and Unable: How Financial Barriers Obstruct Bachelor-degree Attainment in Texas, December 2006

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EXECUTIVE SUMMARY

To better understand current student loan counseling practices, challenges, and perspectives, Trellis Company (formerly TG) collaborated with the National Association of Student Financial Aid Administrators (NASFAA) and the Board of Governors of the Federal Reserve System (Board of Governors) on a study that featured a web-based survey sent by NASFAA to 916 financial aid officers on November 7, 2016. There were 180 responses (20 percent response rate) to this survey, nearly half of which were matched at the institution level to an October 2016 NASFAA benchmarking survey that captured financial aid office information such as staff size, function, and budget (NASFAA, 2016). Although not all responses could be matched, the additional data enable further analysis of correlations between institutional characteristics and survey responses.

The survey was designed to address seven key research questions:

1. **What is the level of financial literacy among groups of students as perceived by financial aid officers?**
   FINDING: Except for financial aid administrators at graduate and professional institutions, respondents perceive low levels of financial literacy among their students. Aid officers had an even more pessimistic perception of financial literacy levels for groups of students considered at risk of dropping out and defaulting on student loans.

2. **How do schools carry out their mandatory loan counseling responsibility?**
   FINDING: Mandatory loan counseling was nearly always delivered using the U.S. Department of Education's online tools. Schools direct students to these tools primarily because the tools effectively achieve the compliance requirement, and, secondarily, because the tools are free to schools and students. A smaller percentage of schools chose the tool because they believed it was effective in helping students become more financially literate.

3. **What voluntary general financial counseling do colleges provide? Have schools considered other promising practices?**
   FINDING: Almost all schools respond to student requests for one-on-one financial counseling. Many schools also organize financial counseling sessions in large and small groups, and most publish financial education materials in print and/or online. Some schools have considered additional approaches, which suggests concerns for students' financial well-being and how that might affect student success.

4. **Do schools reach out to all students, or do they narrow their outreach to specific populations? If groups of students are identified, which groups merit special attention?**
   FINDING: Statistical analysis suggests that better-resourced financial aid offices are more likely to proactively reach out to targeted groups of students. A sizeable percentage of schools target first-generation college-going students, ethnic/racial minorities, and low-income students with additional financial counseling opportunities, although the outreach is seldom customized to appeal to these students.

5. **What methods are used to promote general financial counseling?**
   FINDING: Emails to students' school addresses was the most common communication tool, although more than half of respondents also used postal mail for exit counseling. Many respondents also reported that they "Don't know" the best outreach method, especially for voluntary financial counseling.

6. **How is success of general financial counseling measured?**
   FINDING: Success is typically understood in terms of federal cohort default rates and compliance with relevant laws and regulations, although about one third of respondents also use ad hoc feedback from students. This may reflect salient regulatory concerns and/or limited resources for new evaluation efforts.

7. **What changes in general financial aid counseling would aid officers like to see?**
   FINDING: Financial aid administrators would like to see students take a required course on financial education, with many administrators preferring that this take place annually and, given sufficient resources, be conducted face-to-face.

Unable to compel participation in extracurricular financial education, financial aid administrators compete for the attention of their students, despite often lacking both the resources and the specialized skills to do so. With or without the ability to mandate student participation, developing more effective ways to communicate with and counsel students will remain critical to the promotion of student success.

INTRODUCTION

While all postsecondary students wager that the time and money spent on college will pay off, those nearly two-thirds of attendees who take out student loans also gamble (knowingly or unknowingly) that higher education will, at a minimum, give them the earning power to repay their debt. The bet is a wise one for most college students, who realize substantial lifetime earnings gains over their peers who did not go to college. But others, especially those who failed to earn a degree, find that the resulting debt has harsh long-term negative consequences.

At various points before and after borrowing, knowledgeable students can act to minimize the downside risks of their loans; yet, they face these opportunities with varying levels of information, financial literacy, and financial resources. To better prepare students to make informed decisions about borrowing and repayment, colleges that participate in the Federal Direct Student Loan Program are required by law[1] to provide loan counseling when a student first borrows and just before the student leaves school or otherwise drops below half-time enrollment (Higher Education Act, Title 34: Education, Part 685, subpart C, § 685.304). Within certain parameters, colleges may meet this requirement however they see fit. Understanding how schools view and execute this responsibility and related financial counseling services will provide context to the preparedness of students to assume responsibility for their federal debt and, perhaps, suggest policy opportunities to strengthen student financial competence. Properly informed, students may make wiser choices with superior lasting benefits.

To better understand current student loan counseling practices, challenges, and perspectives, Trellis Company (formerly TG) collaborated with the National Association of Student Financial Aid Administrators (NASFAA) and the Board of Governors of the Federal Reserve System (Board of Governors) on a study that featured an email survey sent by NASFAA to 916 financial aid officers on November 7, 2016. Responses to this survey were then matched at the institution level to an October, 2016 NASFAA benchmarking survey that captured financial aid office information such as staff size, function, and budget (NASFAA, 2016). Although not all responses could be matched, the additional data enable further analysis of correlations between institutional characteristics and survey responses.

The current study expands upon a November 2016 report by the Board of Governors (Board of Governors, 2016) that probed financial aid officer focus group members to learn:

1. What loan counseling tools and strategies do schools use?
2. What challenges do financial aid officers face in providing loan counseling?
3. What reflections on public policy do focus group members have in light of their loan counseling focus group discussion?
4. What recommendations would focus group members make to improve loan counseling effectiveness?

In *Student Loan Counseling Challenges and Opportunities: Findings from Focus Groups with Financial Aid Counselors,* focus group participants described an environment where many schools offer loan counseling that supplements required counseling, often for targeted populations to minimize student loan default. These voluntary loan counseling sessions were depicted as drawing low attendance despite multimedia outreach to students, perhaps suggesting that students either lacked interest in these sessions or had competing priorities for their time (Board of Governors, 2016).

Focus group participants struggled to define success in loan counseling given the idiosyncratic financial circumstances of student borrowers and the limited nature of the tools (technological, staffing, and policy levers) available to schools to make a durable impression on the students (Board of Governors, 2016).

As reported by the Board of Governors, focus group participants made three key recommendations:

1. Grant schools the authority to require additional financial aid counseling;
2. Provide financial education in the primary and secondary schools; and
3. Simplify and modernize the online tool on the website of the U.S. Department of Education (Board of Governors, 2016).

While this focus group research provided valuable insights, a follow-up survey of professionals was needed to more accurately gauge the frequency of practices and perceptions identified in the earlier focus group and to see if there might be relationships between the responses and institutional characteristics. Both the survey and its results must be interpreted and contextualized in light of key trends in higher education that at once raise the stakes for financial counseling and create skepticism as to its current effectiveness. This critical background is outlined below, followed by the survey methodology, results, findings, and a brief discussion.

BACKGROUND

Decades of rising college costs, diminished per-student state subsidization, and the failure of grants (especially, the Pell Grant) to keep pace with rising prices have driven more college students to borrow (Baum, 2015; Cahalan, 2016; Hiltonsmith, 2014; Mitchell, 2016; U.S. Dept. of Treasury, 2012; and U.S. Government Accountability Office, 2014). Current college students face substantial published costs or "sticker prices" for tuition, fees, room and board. Using constant 2016 dollars, the College Board reports that sticker prices at both four-year public universities and four-year private colleges rose substantially from 1996-97 to 2016-17 (see Table 1). Published education costs rose more moderately at public two-year colleges (The College Board, 2016). Fortunately, many students receive grant aid to lower out-of-pocket costs. The College Board refers to the out-of-pocket costs as Net Price for Tuition, Fees, Room and Board (NTFRB). Table 2 shows the rise in NTFRB over time. From 1996-97 to 2016-17, NTFRB rose 63 percent at four-year public universities and 30 percent at four-year private colleges in constant dollars. At community colleges, NTFRB declined one percent in real dollars over this same ten-year span. These numbers reflect national averages, which conceal significant variation between geographical regions, states, state college affordability policies, institutions, and family income groupings (The College Board, 2016).

Current college students face substantial published costs or "sticker prices" for tuition, fees, room and board.

TABLE 1. Average Sticker Price for Tuition, Fees, Room and Board in Constant 2016 Dollars from 1996 97 to 2016 17

	1996-97	2006-07	2016-17
Public Four-Year	$10,950	$15,180	$20,090
Private Four-Year	$28,140	$36,060	$45,370
Public Two-Year	$9,070	$10,420	$11,580

Source: The College Board, Annual Survey of Colleges; Trends in Student Aid 2016 (Table 7).

Table 2: Average Net Price for Tuition, Fees, Room and Board in Constant 2016 Dollars from 1996 97 to 2016 17

	1996-97	2006-07	2016-17
Public Four-Year	$8,730	$11,230	$14,210
Private Four-Year	$20,020	$24,580	$26,100
Public Two-Year	$7,650	$8,160	$7,560

Source: The College Board, Annual Survey of Colleges; Trends in Student Aid 2016 (Table 7).

A recent study by The Institute for College Access and Success (TICAS) illustrates how net college costs are experienced differently by students based on their family income. Looking at net costs as a percentage of discretionary income, the authors show that net costs at four-year public universities consume 53 percent of discretionary income of families making between $30,000 and $48,000 per year. Families making less than $30,000 have negative percentages because their median "discretionary" income is already less than zero dollars (TICAS, 2017). This dire picture of college affordability – and the impulse to borrow – is corroborated through the concept of unmet need and examining its change over time.

"Unmet need" is what is left over from total education cost after student aid (e.g., grants, loans, and work-study) and Expected Family Contribution are subtracted. In a perfect world, all need is met. This more often happens at better-funded, mostly private colleges and universities that prioritize meeting need. However, students increasingly face unmet need and must make up the difference through additional earnings from work, private loan borrowing, economizing expenses, or combination of any of these tactics. Table 3 shows the trend in median unmet need and the percentage of students who have unmet need from 1996 to 2012 (i.e., the latest data available). For students in all school sectors, median unmet need increased at least 14 percent over the 16-year time span, and students at four-year private colleges experienced a 41 percent increase. The prevalence of unmet need also increased. In 1996, less than half of students had unmet need, whereas in 2012, 60 percent had it. The increase in the percentage of students with unmet need grew the most at community colleges where, in 1996, 37 percent had unmet need, but 59 percent had unmet need by 2012.

Table 3: Median Unmet Need (in 2012 Dollars) and Percent of students with unmet need for 1996, 2000, 2004, 2008, and 2012 by school sector

	1996	2000	2004	2008	2012
Public Four-Year	$4,620	$4,592	$4,846	$5,072	$5,887
Private Nonprofit Four-Year	$6,482	$6,827	$7,666	$8,177	$9,119
Public Two-Year	$3,825	$3,929	$3,751	$3,762	$4,357
Private for Profit	$7,202	$8,671	$7,271	$8,751	$8,999
Others or Attended More Than One School	$6,189	$6,311	$6,169	$5,737	$7,518
Total	**$4,755**	**$4,858**	**$4,770**	**$4,930**	**$5,763**
Public Four-Year	49%	44%	48%	43%	55%
Private Nonprofit Four-Year	56%	52%	60%	49%	59%
Public Two-Year	37%	39%	50%	49%	59%
Private for Profit	76%	75%	71%	70%	76%
Others or Attended More Than One School	62%	61%	66%	69%	78%
Total	**46%**	**45%**	**53%**	**50%**	**60%**

Source: National Center for Education Statistics, U.S. Department of Education, National Postsecondary Student Aid Study

Unmet Need: Student Budget (tuition & fees, books & supplies, room & board, transportation, and personal expenses) minus EFC and total aid*

* with the exception of 2004, where NPSAS did not subtract private loans from the student budget

With rising net costs, especially burdensome expenses for low and moderate-income students, and rising amounts and percentage of students with unmet need, loans have become essential to how students access higher education. For many students, pursuing a college education requires making a risky, high stakes bet with borrowed money.

According to the National Center for Education Statistics (NCES), just over half (51 percent) of college seniors in 1989-90 borrowed from the federal government to finance their postsecondary education. Over the next 22 years, this borrower rate rose to 68 percent (NCES Digest of Ed 2016, Table 331.95, Snyder, de Bray, and Dillow). For many, borrowing allows students to enroll and stay in school; debt becomes a necessary risk of going to college. However, the consequences of defaulting on student loans (which are generally not dischargeable in bankruptcy) are significant and include wage garnishment, loss of key repayment protections, tax refund confiscation, additional fines and fees, and poor credit ratings that can hinder purchasing a car or home. Furthermore, the federal government recently began taking more aggressive legal action against defaulted borrowers through private firms (Newsworks, 2017).

Borrowers can reduce the risk of assuming student loan debt by making prudent financial choices, including only borrowing as much as they need and using federal loans instead of private loans to the extent possible. Having access to effective counseling helps borrowers make the financial choices that are best for them. Unfortunately, recent research casts doubt on the effectiveness of the mandatory federal loan counseling provided to most student borrowers.

RECENT RESEARCH ON STUDENT LOAN COUNSELING

A small but growing body of recent research has investigated how much postsecondary students know about financial aid and personal finance. These studies consistently suggest that "student borrowers are woefully uninformed regarding student loans" — with little knowledge of their annual costs, their loan balances, the terms of repayment, or the consequences of default — and that "borrowers' ignorance contributes significantly to their repayment difficulties" (Fernandez, 2016). On the whole, "we have increasing evidence that college students may be making distorted or ill-informed financial decisions" (Darolia, 2016). A number of studies have added crucial qualitative depth to the causes of this knowledge gap, the shortcomings of current interventions, and the steps that might be taken to address it.

In 2014, the New America Foundation conducted six focus groups with 59 student loan borrowers to better understand why so many are delinquent on their loans. The authors of the report based on these focus groups concluded that the "cause of so many struggling to repay student loans these days is a combination of uninformed borrowing – mostly due to ignorance, youth, naïveté, and a weak job market – and a messy system that is difficult to understand and tricky to navigate" (Delisle and Holt, 2015). This work was partnered with an extensive quantitative survey involving prospective college students to gauge the extent of understanding of the college choice and lending processes[2]. This work, and similar analyses, conclude that many students are deficient about understanding financing options, do not seek out tools (like net price calculators) that they later say would have been useful, and have little sense of what monthly payment to expect based on their level of debt.

Trellis assessed the borrower experience with student loan counseling through a series of five reports published in 2015 and 2016 (Fernandez, 2015a; Fernandez, 2015b; Klepfer, 2015; Fletcher, 2015; and Fernandez, 2016). Trellis research found that "[M]andated loan counseling has changed significantly over its roughly 30-year history, evolving from a flexible, customized in-person experience to a highly regimented online module with numerous detailed requirements" (Fernandez, 2016). During this evolution, the number of required topics in federal loan counseling grew from four in 1986 to 28 in 2013 and contributed to a state of cognitive overload that made it hard for borrowers to retain

For many, borrowing allows students to enroll and stay in school; debt becomes a necessary risk of going to college.

2 The New America Foundation 2015 College Decisions Survey was reported on in a series of five publications authored by Rachel Fishman and available at https://www.newamerica.org/education-policy/policy-papers/?page=5&.

information about their loans (Klepfer, 2015). Through close observation of student loan borrowers taking online entrance and exit loan counseling on the U.S. Department of Education's website, Trellis described a process by which borrowers lost energy and attention as they progressed through the text-heavy interface:

In general, borrowers begin student loan counseling with focus and interest in learning, but issues with the material cause them to lose focus, become frustrated, and begin to skim and skip. Major issues include unhelpful information, navigational difficulties, and large amounts of dense, complex information (Fernandez, 2016).

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While the federal government's online tool is free to students and schools, provides a helpful audit trail for schools, and scales effortlessly to large numbers of students, some schools have devoted time and resources to offering a more robust loan counseling experience to borrowers. Trellis documents a few of these promising practices and highlights common themes such as:

- Cross training among campus departments to improve communication and coordinate messages to students,
- Holistic treatment of students' finances that goes beyond financial aid,
- Marketing materials and extra training to students in creative ways,
- Targeting interventions to special populations of students most in need of additional financial counseling,
- In-person loan counseling that allows for personal interaction with students,
- Peer-to-peer financial counseling that creates a more comfortable atmosphere for sensitive conversations, and
- Data-driven approaches that help schools ration scarce resources to those students who can most benefit (Fletcher, 2015).

One student loan information measure gaining popularity among schools is the use of the "debt letter," i.e., customized letters to student borrowers detailing their past borrowing and estimating the amount of their monthly payments after college. Two prominent studies have assessed the effectiveness of these debt letters. Darolia (2016) conducted a randomized field experiment at a flagship university where half of the student borrowers received customized information and the other half did not. Only modest effects were found for the debt letter, mostly for those with low GPAs, although those who got the letter did have more contact with financial aid professionals. Using a natural experiment, other researchers found the debt letter to have no significant effect on borrowing in the subsequent semester but did show improved academic outcomes for those who received the letter (Stoddard, 2017).

While these studies found lackluster effects for the debt letter in and of itself, there is evidence that information-based interventions, in which debt letters or similar tools often play a role, can improve student outcomes on a variety of metrics. Hoxby and Turner (2013), Castleman and Page (2015), and Bettinger et al. (2012) all demonstrate that providing students with simple, well-designed information, often accompanied by in-person counseling or other supports, can boost college matriculation. Darolia (2016) also observes that notable debt letter success stories, such as those at Indiana University and Montana State University, often neglect the simultaneous implementation of other student financial services and interventions and "the role that other structural investments may have played in students' borrowing behavior" (p. 10). An intervention targeting student decision-making that fails to produce measurable benefits independently may yet have value as part of a multifaceted program that realizes improvements when different tools and interventions, like the debt letter, work in concert.

Research on information-based interventions for college students is still in its infancy, and new studies will likely produce improvements that may yield better results. Much information is available for individuals to make informed education and borrowing decisions. However, consumer behavior theory tells us that breakdowns in complex decision-making processes often occur when individuals do not seek out that information or procrastinate and miss deadlines (Dynarski and Scott-Clayton, 2006). Experiments are underway to determine how strategically timed, delivered, and worded messages intended to prompt specific decisions – "nudges," in the vernacular of behavioral economics – can be used to improve the choices that students make (ideas42, 2016). In addition to debt letter experiments, others are working on nudges to improve FASFA completion and the use of text messages to optimize borrowing decisions (e.g., Page et al., 2016).

As the number of students struggling to responsibly finance higher education (and to manage the debt that often results) continues to grow, colleges have grappled with strategies for improving financial education, especially as it relates to student debt. The present study inventories these strategies and attempts to better understand some of the challenges schools face in delivering financial information.

METHODOLOGY

The National Association of Student Financial Aid Administrators sent a survey invitation (see Appendix) on November 7, 2016 to 916 financial aid administrators. Survey recipients had until November 18 to respond. The survey yielded 180 responses — a response rate of 20 percent. The respondent population was generally proportionate to the survey population based on the school sector represented, with somewhat fewer for-profit career colleges responding and slightly more four-year public colleges represented (see Table 4).

The survey was designed to address seven key research questions:

1. What is the level of financial literacy among groups of students as perceived by financial aid officers?
2. How do schools carry out their mandatory loan counseling responsibility?
3. What voluntary general financial counseling do colleges provide? Has the school considered other promising practices?
4. Do schools reach out to all students, or do they narrow their outreach to specific populations? If groups of students are identified, which groups merit special attention?
5. What methods are used to promote general financial counseling?
6. How is success of general financial counseling measured?
7. What changes in general student financial aid counseling would aid officers like to see?

Table 4: Survey Population and Respondents by School Sector

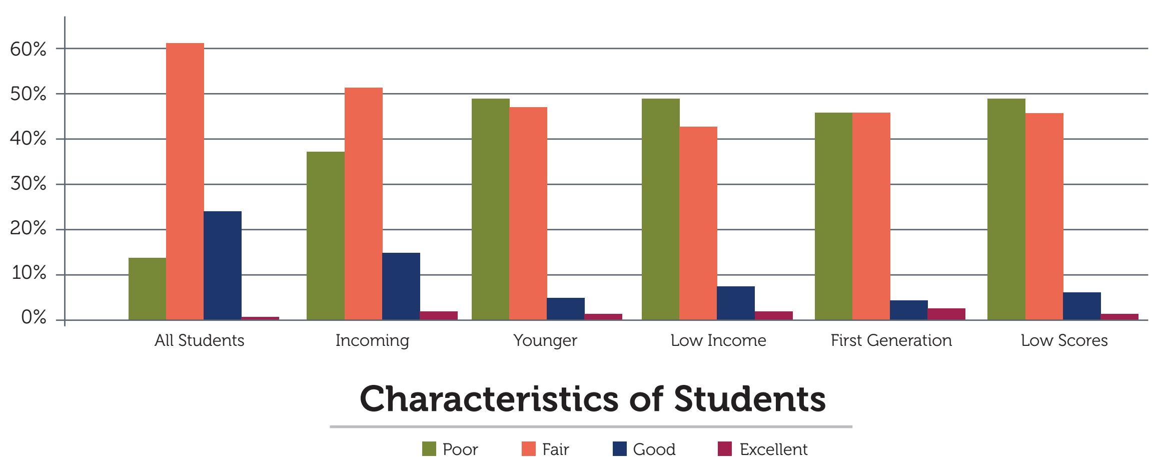
Who Responded? (N=180)	Share of Surveyed Institutions	Share of Surveyed Respondents
Private Colleges	42%	44%
Public Four-Year	20%	23%
Community Colleges	25%	24%
For Profit Career Colleges	10%	4%
Graduate/Professional Colleges	4%	4%

RESULTS

1. What is the level of financial literacy among groups of students as perceived by financial aid officers?

Financial aid officers tend to have substantial contact with students, which provides them with unique insights into student financial literacy. Figure 1 depicts officers' generally low level of perceived financial literacy among all students (75 percent rated as "fair" or "poor"), which dropped further for key groups of students that tend to have lower scores on success metrics like retention, graduation, and student loan repayment: students with low test scores (94 percent "fair" or "poor"), first generation college-going students (94 percent "fair" or "poor"), and lower-income students (91 percent "fair" or "poor"). Financial aid officers rated younger students even lower at 95 percent "fair" or "poor," echoing a perception expressed in a focus group by a counselor at a two-year public college: "When you're talking about a younger student, can they project what it means to have a $550 a month loan payment? No. No, they can't" (Board of Governors, 2016).[3] These perceptions may be unduly influenced by counselors' more frequent interactions with students seeking financial guidance following a money crisis, whereas the crisis could also result from lack of wealth. Nonetheless, the low assessment of financial literacy for students making life-altering financial decisions suggests the need for intervention, especially for students who borrow. This is consistent with comments from financial aid officer focus group participants who expressed their desire for authority as aid officers to require students to go through additional loan counseling (Board of Governors, 2016).

Figure 1: Financial Aid Officer Perceptions of Student Financial Literacy Levels, by Student Characteristic



2. How do schools carry out their mandatory loan counseling responsibility?

Colleges that participate in the Federal Direct Student Loan Program are required to provide loan counseling when the student first borrows (entrance counseling) and just before the student leaves college or drops below half-time enrollment (exit counseling). Schools can employ third-party counseling providers or develop their own loan counseling programs, but both must adhere to federal requirements, including the coverage of specific topics as specified by the Higher Education Act. Counseling vendors typically also provide reports to schools that verify that borrowers completed the counseling, thereby establishing an audit trail were the school to go through a program review for compliance. Colleges may also use online counseling tools provided by the U.S. Department of Education (ED). The ED tools are free to students and schools and provide the necessary reporting for compliance auditing.

Survey respondents indicate that schools choose the ED tools most often — 95 percent for entrance counseling and 89 percent for exit counseling (see Table 5). Some schools developed their own customized experience for student borrowers going through exit counseling (10 percent). Schools that built their own tool or experience were spread out among all school sectors.

Table 5: Sources of Entrance and Exit Counseling Generally Used at Respondent Institutions (n=178)

	Entrance	Exit
Standard from the Department of Education	95%	89%
Something developed by your institution	5%	10%
Something developed by a third party	1%	1%

Financial aid officers were asked to rank the top reasons for using ED's tools for entrance and exit counseling, and their responses suggest that their pervasive use is due primarily to concerns of regulatory compliance and resource scarcity. Nearly two-thirds of respondents chose "It allows us to comply with regulations" as their best reason for using the online tools. While secondary to compliance with regulations, a sizeable percentage of respondents mentioned that they were attracted to the ED tool because it was free to the institution. Only 17 percent of respondents ranked "It effectively conveys important information" as their best explanation for how they felt about the ED tool, while over half listed it as their third-ranked (i.e., worst) reason. Though not a statistically significant difference, it appears that respondents who believed most strongly that the tool effectively conveys important information were less likely to perceive poor financial literacy among their students than their colleagues who chose ED's tool for compliance or financial reasons. The selection of "it effectively conveys important information" as a top (best) choice could not be tied, in a statistically significant way, to the size of the school's financial aid office budget.

Table 6: Respondent Rankings of Agreement with Statements Regarding the Online Department of Education Tool for Entrance and Exit Counseling, Ranked from Best (First) to Worst (Third)

	First (Best)	**Second**	**Third** (Worst)
It effectively conveys important information	17%	27%	56%
It allows us to comply with regulations	64%	29%	7%
It is free and doesn't require additional resources from our institution	19%	44%	38%

Given the demonstrated limitations of ED's loan counseling tools (Fernandez, 2017) and the apparent low levels of financial literacy of students as reported by aid officers, building financial literacy seems to depend on schools or other organizations providing opportunities outside of the mandatory counseling to convey key financial concepts to students. These voluntary initiatives to provide general financial counseling can take many forms.

3. What voluntary general financial aid counseling do colleges provide? Has the school considered other promising practices?

While loan counseling is required only for federal student loan borrowers (and for them, only twice), nearly all schools (92 percent) accommodate one-on-one general financial aid counseling requests either on a walk-in basis or by appointment (see Table 7). Seventy-three percent of respondents facilitate small group presentations for targeted populations. Additionally, more than half of schools responding to the survey provide materials online or in printed format. More than one-third of respondents report offering general financial counseling to all students either in small or large group presentations. Clearly, many schools go beyond the minimum mandated requirements at their own expense to provide opportunities for students to learn more about their loans and general finances.

A recent Trellis study of promising practices in the delivery of general financial counseling identified seven themes among colleges that took proactive steps to better inform and empower students to make wiser financial decisions (Fletcher, 2016). Survey respondents indicated whether their school had initiatives in these seven areas:

- **Cross training –** integrated messages for students developed across multiple departments in the institution
- **Holistic approach –** incorporating student loan information into a wider financial literacy program
- **Marketing –** using multiple points of contact to increase the impact of their communications
- **Targeting –** focusing resources to create more persuasive outreach to non-seekers
- **In-person loan counseling**
- **Peer-to-peer counseling –** using peer students as coaches offering information about financial issues beyond just student loans
- **Data driven approach –** using research and institution data for more than compliance purposes

Table 7: Percent of Respondents Using a Counseling Delivery Mode, by Type of Student Group

Delivery Mode	Walk-ins or appointments	Targeted populations	All other borrowing students	All other students
One-on-One	92%	48%	41%	41%
Small Group Presentations	19%	73%	34%	36%
Large Group Presentations	12%	57%	33%	39%
Online Resources	51%	57%	72%	77%
Printed Materials	57%	54%	57%	66%

The three most common types of initiatives cited by respondents were in-person (47 percent), holistic (41 percent), and cross training (38 percent) (see Table 9). Relatively few respondents indicated current initiatives that relied heavily on data analysis (23 percent), targeted outreach or services to non-seekers (15 percent), or relied on trained students to deliver peer-to-peer financial coaching (14 percent). The data suggest that resource constraints may play a major role in whether schools adopt data-driven or targeted strategies. Schools that had more than the median number of full-time equivalent (FTE) counselors, as well as those with an above the median ratio of FTE counselors to enrolled students, were statistically more likely to use targeting strategies to focus on students who were not seeking help (i.e., non-seekers).[4] Schools with higher numbers and per student ratios of FTE counselors were also more likely to use data-driven approaches to providing financial counseling.[5]

Figure 2: Percent of Financial Aid Officers Who Report Efforts to Implement Promising Practices in General Financial Aid Counseling (n=173)

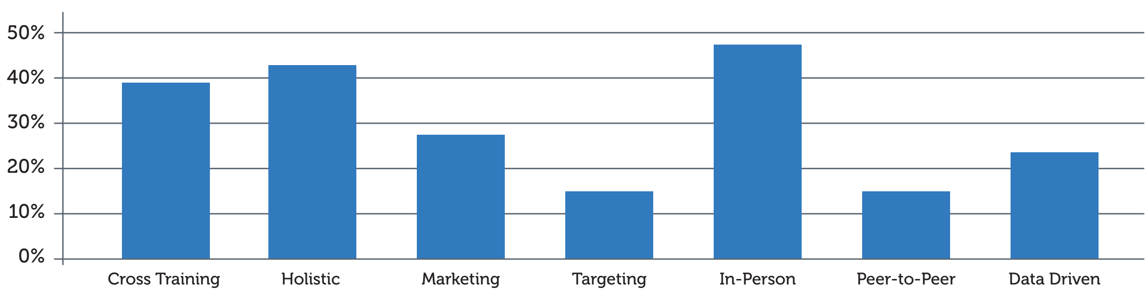


Table 8: Likelihood of Targeting Counseling Outreach to Non-seekers, by Counselors per Student

Above Median FTE Counselors per Student			Below Median FTE Counselors per Student		
Focused Targeting Approach	Observed	Expected	Focused Targeting Approach	Observed	Expected
Used	9	(5)	Used	1	(5)
Not Used	26	(30)	Not Used	34	(30)

*X2=7.47 (significant at the .10 level)

4 Chi-square (X2) = 7.47 which is significant at the 99% level of confidence.
5 This was not significant at the 90% level of confidence but did result in a chi-square statistic (X2) of 2.69.

Table 9: Likelihood of Using a Data-driven Counseling Outreach Approach, by Counselors per Student

Above Median FTE Counselors per Student			Below Median FTE Counselors per Student		
Counseling Outreach Approach	Observed	Expected	Counseling Outreach Approach	Observed	Expected
Data Driven	12	(9)	Data Driven	6	(9)
Not Data Driven	23	(26)	Not Data Driven	29	(26)

*X2=2.6923 (not significant at the .05 or the .10 level)

Many schools had no initiatives that fell into any of the seven themes (see Table 10). These respondents were asked if they were 1) considering any initiatives characterized by these seven themes, 2) had considered but rejected such an initiative, or 3) hadn't considered such an initiative. More than half of these respondents were actively considering data-driven or holistic initiatives, while 43 percent were considering cross training, marketing, and targeting. Twenty-one percent had considered in-person counseling but rejected the idea, making it by far the most rejected practice among schools not employing any of the practices. This high rate of rejection may not reflect lack of confidence in in-person counseling but rather the high costs and logistical challenges that accompany it. Its very effectiveness means it is more likely to have been considered but then rejected for cost reasons. This frustration was voiced by a Board of Governors focus group participant from a community college who said, "We would love to do one-on-one [counseling] because our default rate is high, and we're trying to figure out what we can do to solve it now. We've analyzed it to death. We know who they are. We can just about tell you their names before they default" (2016).

Except for in-person counseling, each promising practice was currently being considered by about half of non-user schools, with about half not yet having considered it and rejection rates in the single digits. Peer-to-peer counseling was the least reviewed practice, with almost two-thirds of non-users having not yet considered it.

Table 10: Respondents with No Current Use of Promising Practices in General Financial Aid Counseling, by Percent Who Have or Have Not Considered the Practice (n=29)

	Haven't Considered	Considering	Considered but Rejected
Cross Training	55%	43%	2%
Holistic	45%	52%	3%
Marketing	52%	43%	6%
Targeting	54%	43%	3%
In-Person	43%	36%	21%
Peer-to-Peer	65%	28%	7%
Data Driven	42%	53%	5%

Financial aid officers participating in the Board of Governors focus groups expressed frustration at the federal prohibition against requiring loan counseling at times other than at entrance and exit. As the Board of Governors summarized, "Counselors reported that this constraint is a significant barrier to assisting students with their financial decisions because participation in optional programs is limited" (Board of Governors, 2016). The U.S. Department of Education (ED) announced on August 12, 2016 an experimental site initiative that will allow participating schools to require student borrowers to go through additional annual loan counseling – just the sort of regulatory flexibility that focus group members requested. The experimental site initiative also has an evaluation component to assess the effectiveness of the program. When asked to characterize their level of interest in this ED initiative, 6 percent of respondents had either applied or intended to apply, while another 23 percent were considering whether to apply (see Table 11). Nearly two-thirds did not intend to apply. With more than a quarter of respondents either applying or considering applying in ED's pilot, the survey responses reflect significant interest in the concept. Though logistical challenges, particularly the pilot's evaluation requirements, may ultimately limit participation, there appears to be substantial interest among aid administrators.

Table 11: Respondent Level of Interest in Applying for the ED Experimental Site Initiative (n=178)

	% Responded
Applied	3%
Intends to Apply	3%
Doe Not Intend to Apply	64%
Is Considering Applying	23%
Other	7%

While most colleges go beyond mandatory requirements to deliver general financial counseling to their students, this interaction is often driven by the student who walks in or schedules an appointment to talk about a specific issue, although some students will also attend financial education workshops. While ED's experimental site initiative offers schools hope that they may soon be able to require students to participate, schools currently must rely on marketing to drive voluntary participation, especially among the elusive "non-seeker" students who are in need but do not reach out for help. Knowing more about who these marketing efforts are directed toward helps our understanding of the reach of loan counseling and general financial education on campuses.

4. Do schools reach out to all students or do they narrow their outreach to specific populations? If groups of students are identified, which groups merit special attention?

Colleges have scarce resources to devote to general financial counseling and will sometimes ration those resources by narrowing their outreach to a subset of students. One important student subset is prospective students. Prospective students face several decisions with significant financial implications that they may be ill-equipped to manage alone – such as what school to enroll in, whether to enroll full-time or part-time, what program/major to pick, how many hours to work, and whether to borrow. Some colleges reach out to prospective students to offer counseling that can help them navigate these complex choices. When asked if they reach out to prospective students to offer general financial counseling before they commit to the institution, one-third confirmed that they did, 56 percent did not, and 12 percent reported that "it depends" (see Table 12). Based on comments of participants whose schools do provide financial counseling to prospective students, this often occurs during the interview process, high school nights, FAFSA completion events, and "accepted student days," while others mentioned offering printed materials or webinars. Respondents who selected "it depends" most often referenced targeting certain types of students for counseling, such as low-income students, students who have almost run out of loan eligibility, and students with high unmet need, while fewer respondents mentioned aiding either by request or on a case-by-case basis.

A similar question tried to capture the timing of initial financial counseling specifically for new student borrowers. About one-third of the schools (37 percent) reach out to new borrowers before enrollment with general financial counseling, and another third target students after enrollment but before school starts (see Table 13). As with the use of targeting and data-driven strategies, resource scarcity seems to play a role in whether a school offers counseling to prospective students. Institutions that are above the median in Full-Time Equivalent (FTE) counselors per enrollment – i.e., schools with relatively larger staffs per student – are statistically more likely to provide general financial counseling to prospective students than schools with below-median FTE per student[6]. (see Table 14) Fifteen percent of the schools provided this counseling to new borrowers as soon as school started or sometime during the first semester. Based on the comments of respondents who selected "other," it appears most do not provide general financial counseling to new borrowers. Federal Reserve Board focus group participants provided more nuance to the issue of timing of financial counseling for prospective students. Participants described institutional conflict on when to counsel students with some reporting that admissions management fears that financially counseling prospective students may hinder enrollment, while others noted that university leaders concerned about completion metrics advocate for earlier financial counseling. As one counselor from a four-year university noted, "It's not worth bringing in somebody just to get the money up-front if you can't follow through with [the academic program]" (Board of Governors, 2016).

Table 12: Do you reach out to prospective students to offer general financial counseling assistance before they commit to your institution? (n=178)

	% Responded
Yes	33%
No	56%
Depends	12%

6 Chi-square = 3.97 which is significant at the 95% level of confidence.

Table 13: When do you primarily reach new student borrowers for general financial counseling? (n=176)	
Outreach Type	**% Responded**
In sessions while students are still in high school	10%
After high school but before enrollment	27%
After enrollment but before the start of school	33%
As soon as school starts	4%
During the first semester	11%
Other	15%

Table 14: Likelihood of Delivering General Financial Counseling Before the Start of School, by Counselors per Student					
Above Median FTE Counselors			**Below Median FTE Counselors**		
Counseling Timing	Observed	Expected	Counseling Timing	Observed	Expected
Before School	24	(20.06)	Before School	18	(21.94)
Not Before School	8	(11.94)	Not Before School	17	(13.06)

*X2=3.97 (significant at the .05 level)

Seventy-nine percent of schools in the survey do not customize their outreach to meet the unique information needs of groups of students, choosing instead to provide the same outreach for all students (see Table 15). For schools that do customize their outreach, respondent comments suggest that these groups of students tend to be those with high loan balances, borrowers who have reached a certain percentage of their maximum loan eligibility, students in specific majors, and students deemed "at-risk." Referrals from other school personnel also seem to drive customized outreach. While the nature of the outreach may be the same for all students, the groups targeted may vary from school to school.

Table 15: Method of Outreach to all Students for General Financial Counseling at Respondent Institutions (n=175)	
	% Responded
The same for all students	79%
Customized to particular students based on perception of their need	21%

Table 16: Which methods do you use to promote financial counseling to students by type of counseling?

	Types of Counseling			
	Entrance (n=168)	**Exit (n=171)**	**General Financial Aid (n=154)**	**Financial Literacy (n=124)**
Snail Mail	38%	54%	51%	28%
Phone	18%	14%	28%	16%
Email	91%	87%	84%	86%
Text	44%	3%	8%	7%
Other	16%	14%	20%	24%

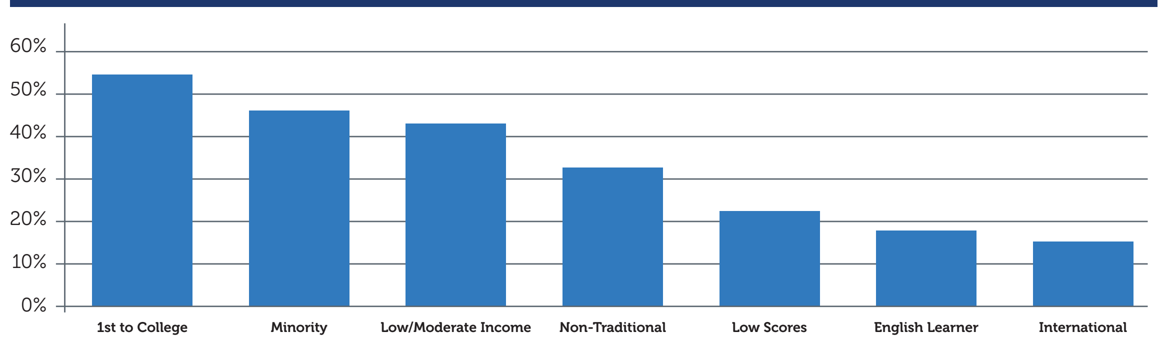
As shown in Figure 3, the three most commonly targeted groups of students are first-generation college-going (53 percent), ethnic/racial minorities (46 percent), and those from low-income households (43 percent). Participants in the Board of Governors focus groups mentioned that some schools leverage their scarce resources by partnering with student-led or unaffiliated organizations, which may customize their outreach to students based on their affinity with those targeted (Board of Governors, 2016).

Most schools provide outreach to students about voluntary general financial counseling. Whether the same strategy is taken for all students or is customized to address certain groups of students, the methods used to communicate with students about the counseling opportunities may change based on the type of counseling being offered.

5. What methods are used to promote general financial counseling?

Schools use a variety of methods to notify students of financial counseling, but emails are by far the most common. Regular postage ("snail mail"), phone, text messages, and other (e.g., face-to-face, orientation, social media) are also used, but their use fluctuates based on the type of financial counseling promoted. For example, 44 percent of schools reported texting students about entrance loan counseling – perhaps because completion is required before the disbursement of federal loan funds. In contrast, only 3 percent of schools use text messaging to promote exit counseling. Schools seem to frequently use postal mail (54 percent) for exit counseling. While exit counseling must be conducted in-person, using

Figure 3: Please tell us if your institution actively reaches out to each of the following target groups for general student loan counseling.



an audiovisual presentation, or through an online tool, sending materials through postal mail is permitted if the student left school without notice or failed to complete the required counseling. Less than 20 percent of schools will resort to the labor-intensive method of phoning students about either entrance or exit loan counseling. Though 28 percent of schools will phone students about general financial aid, the calls may target smaller subgroups[7]. Text messages are seldom used to promote general financial aid or financial literacy counseling opportunities. Two focus group participants voiced concern about school use of text messaging feeling that they were ". . . intrusive and not appropriate communications from the university" (Board of Governors, 2016). Survey responses confirm that schools believe that students respond differently to these methods and that the appropriateness of the method depends on the type of counseling promoted.

Respondents believe sending emails to students' school email addresses is the most dependable way to reach them for any type of financial counseling (see Table 17). While both the first and second-most popular outreach methods for entrance loan counseling involved email, regular postage to home addresses garnered the second-most votes for exit counseling, which was the most common use of postage. This is probably because many institutions use postage to send exit counseling materials to borrowers who withdraw

Table 17: Respondents' Perceptions of Outreach Method to Which Students Most Respond, by Type of Counseling

Entrance	# of Respondents	Exit	# of Respondents
Email to school address	74	Email to school address	71
Email to non-school address	30	Snail mail to home address	33
Don't know	26	Don't know	33
Snail mail to home address	15	Email to non-school address	16
Cell phone	10	Cell phone	7
Text Message	4	Snail mail to school address	2
Land line phone	2	Text Message	2
Snail mail to school address	1	Land line phone	0
Other (specify)	14	Other (specify)	13
Total	**176**	**Total**	**177**
General Financial Aid	**# of Respondents**	**Financial Literacy**	**# of Respondents**
Email to school address	71	Email to school address	56
Don't know	23	Don't know	44
Snail mail to home address	17	Email to non-school address	15
Email to non-school address	16	Cell phone	9
Cell phone	13	Text Message	5
Text Message	11	Snail mail to school address	3
Land line phone	4	Snail mail to home address	2
Snail mail to school address	1	Land line phone	1
Other (specify)	14	Other (specify)	20
Total	**170**	**Total**	**155**

7 Board of Governors focus group participants expressed concerns about federal laws governing automated phone calls (Board of Governors, 2016)

from the institution and may be unresponsive to emailed requests to complete online counseling. Even if text messaging and cell phones are aggregated, they are rarely seen as dependable methods for any counseling outreach. Phone calls are seldom made to students, perhaps because of the labor cost. Many respondents answered that they "Don't know" the best outreach method, especially for financial literacy, where it was a close second to school email. This may suggest a sense of frustration when trying to communicate with students, especially about non-mandatory financial counseling, which relies heavily on marketing. Financial aid officers compete with many others for the attention of busy college students, making the promotion of voluntary financial counseling challenging. The prevalence of "don't know" as a response harkens back to the need for institutions to continue to experiment with and evaluate which communication methods and nudges can be effective.

6. How is success of general financial counseling measured?

Schools evaluate the success of their financial counseling programs in a variety of ways but generally seem to prefer methods that require no additional data collection or administrative effort beyond what would occur anyway. Fifty-four percent of respondents reported using the school's federal cohort default rate, the most commonly cited metric, to measure counseling success (see Table 18). Compliance with regulations was cited by 36 percent of schools, reflecting the key priority of maintaining eligibility for federal student aid funds. Thirty-one percent of schools mentioned total indebtedness as an important measure of success. While a few schools use formal measures like knowledge gained (8 percent) and student survey responses (16 percent), a larger percentage (34 percent) use informal feedback from students to gauge success in their financial counseling programs. Twenty-eight percent of respondents did not measure success.

7. What changes in loan or general financial counseling would aid officers like to see?

Respondents were asked what single change[8] to student financial counseling would they make if they were not bound by any limitations. Over a quarter would like to see required courses of longer duration that would ensure

Table 18: Measures that Respondent Institutions Use to Evaluate the Success of General Financial Counseling (n=175)

Measurement Method	% Responded
Survey of Students	16%
Ad Hoc Student Feedback	34%
Compliance	36%
Dropout Rate	13%
Default Rate	54%
Total Indebtedness	31%
Knowledge Test	8%
Other	4%
Do Not Measure Success	28%

8 Note: Most respondents chose more than a single change; a few gave detailed lists of beneficial changes.

Table 19: If you had no limits, what single change to general student financial aid counseling would you institute (n=105)	
	% Responded
Longer Required Course	26%
Face-to-Face	19%
Annual Financial Education	18%
Pre-Enrollment Counseling	14%
More Resources for Students	11%
Require Knowledge Test	10%

attendance and provide ample time to cover the necessary material. Expressing a common opinion, one aid officer suggested that the way to improve financial counseling would be to "integrate it with curriculum and make it a graduation requirement. Students don't take financial aid and 'administration' seriously." Another respondent contrasted the student loan process to buying a home.

I just bought and sold a house. The process always takes weeks, and the paperwork is painful. Yet we let students—who have no idea of the value of a dollar, never handled a checkbook, nor ever paid a bill—borrow loans worth tens of thousands of dollars. For many, it is the first time they have had money in their hands, and it disappears without any realization where it went.

While one respondent suggested that "the greatest single change would be if the students would truly pay attention to what is being presented to them," most focused on ways to promote attentiveness by making counseling more effective and engaging for students. Eighteen percent of respondents would like annual loan counseling to be mandated for some borrowers, seeing the annual experience as a time for students to renew or update their educational goals. Adequate time and resources to conduct the financial counseling face-to-face garnered 19 percent of responses, some of whom believed that personalized delivery of counseling was important, especially for nontraditional students. Many aid officers saw value in exposing students to financial counseling prior to entering college. Others supported requiring students to pass a knowledge test before borrowing to ensure that the students understand the material.

CONCLUSION

After decades of uninterrupted growth, college costs and, more importantly, the net amount of constant dollars that students and families must pay now exceed what many can afford. Once considered a tool to promote college choice, student loans have become an essential mechanism without which many would lose access to higher education (Trellis Research, 2005). To pursue higher learning and all the benefits that come with it, many students feel compelled to enter into a contract with terms and conditions that they rarely understand yet have serious implications for their long-term financial health.

Once considered a tool to promote college choice, student loans have become an essential mechanism without which many would lose access to higher education.

Reviewing prior research, this report found that students are often ill-equipped to manage the financial challenges that accompany postsecondary education, especially given the added complexity and risk of student loans. Research suggests that the online tools most borrowers rely on for student loan counseling suffer from numerous flaws; however, research also suggests that design and delivery insights from behavioral economics can significantly improve counseling tools. Research also points to some promising practices adopted by a few schools who have chosen thoughtful, proactive measures to promote financial literacy and financial wellness on their campuses.

As identified in focus group research, schools wishing to adopt some of these practices confront numerous legal, administrative, technical and communication challenges, which a subsequent survey of NASFAA members explored further. Among the survey's key findings were financial aid officers' predominantly negative perceptions of the financial knowledge of students; the near universal use of the Department of Education's online counseling tools, primarily to achieve regulatory compliance; the high frequency with which schools offer financial counseling that exceeds minimum regulatory requirements; and the challenges schools face offering voluntary financial counseling events that both attract students and improve their financial competency. Despite some detectable differences as measured by a school's number of counselors or number of counselors per student, survey responses were generally similar across sectors, counselor staffing levels, and percentages of Pell Grant recipients.

Student financial aid administrators appear more aware of the dangers students face than the students themselves, though administrators are struggling against significant impediments to close that gap. Their non-compensated financial counseling programs must compete for institutional resources and the limited attention of their students, who may be juggling school, work, and other immediate life issues, making them less receptive to appeals to long-term financial consequences. In this competition, schools often lack both the resources and specialized skills to make a lasting impression on students. With or without the ability to mandate student participation, developing more effective ways to communicate with and counsel students will remain critical to their success. Ongoing research experiments are beginning to shed some light on these important issues, and schools can add to the growing body of knowledge by vigilantly and rigorously quantifying the results of their own efforts. With the financial futures of millions of students at stake, financial aid officers and other student services professionals need all the tools, information, and support they can get.

NASFAA Questionnaire

NASFAA
NATIONAL ASSOCIATION OF STUDENT FINANCIAL AID ADMINISTRATORS

Default Question Block

The following brief survey is a collaboration between the Federal Reserve, TG, and NASFAA. It is intended to gauge sentiment and understanding about financial counseling at institutions of higher education. Except where elsewhere specified, responses should extend beyond entrance and exit counseling to include general financial aid counseling (which itself includes financial aid and financial literacy counseling). This effort is a follow up to focus groups held during the 2016 NASFAA national conference in July. Findings from these focus groups will be available at the end of November. Responses from this survey will be anonymous and results will be in the aggregate. We expect the results from this survey to be reported in mid-2017. Thank you for your participation.

Do you reach out to prospective students to offer general financial counseling assistance before they commit to your institution?

- Yes (Please specify) ____
- No
- Depends (Please specify) ____

Check the appropriate box in each row to identify the source of entrance and exit counseling generally used at your institution. If you use a third party product, you will be asked to identify it.

	Standard from the Department of Education	Something developed by your institution	Something developed by a third party.
Entrance	○	○	○
Exit	○	○	○

Follow-up: Please specify what your third party product is.

Is outreach to students for all of your **general financial counseling** ...

- ○ The same for all students
- ○ Customized to particular students based on your perception of their need.

Follow-up: How do you determine which students merit special outreach?

Which methods do you use to promote financial counseling to students by type of counseling (choose all that apply)

	General Financial	Financial

	Entrance	Exit	Aid	Literacy
Snail mail to home or school address	☐	☐	☐	☐
Phone	☐	☐	☐	☐
Email to school or non-school address	☐	☐	☐	☐
Text message	☐	☐	☐	☐
Other ____	☐	☐	☐	☐

Follow-up: Choose the outreach method you find students respond best to most dependable for each type of counseling.

Entrance	
Exit	
General Financial Aid	
Financial Literacy	

Rank the following three answers from best to worse regarding how you feel about the online Department of Education tool for entrance and exit counseling.

It effectively conveys important information

It allows us to comply with regulations

It is free and doesn't require additional resources from our institution

For each of the four classes of students, please check all of the categories of delivery of general financial aid counseling that your institution is generally able to offer.

	Walk-ins or appointments	Targeted populations	All other borrowing students	All other students
One-on-one	☐	☐	☐	☐
Small group presentations	☐	☐	☐	☐
Large group presentations	☐	☐	☐	☐
Online resource(s)	☐	☐	☐	☐
Printed material	☐	☐	☐	☐

When do you primarily reach new student borrowers for general financial counseling?

- ◯ In sessions while students are still in high school
- ◯ After high school but before enrollment
- ◯ After enrollment but before the start of school
- ◯ As soon as school starts
- ◯ During the first semester
- ◯ Other ________

Please rate the following groups of students at your institution based on your perception of their level of financial literacy.

	Excellent	Good	Fair	Poor

All students	☐	☐	☐	☐
Incoming students	☐	☐	☐	☐
Younger students	☐	☐	☐	☐
Lower-income students	☐	☐	☐	☐
First generation students	☐	☐	☐	☐
Students with lower entry scores	☐	☐	☐	☐

On August 12, 2016, the U.S. Department of Education announced an experimental site initiative that will allow participating schools to compel student borrowers to go through additional annual loan counseling. An evaluation will then determine the effectiveness of compulsory counseling.

What is your institution's level of interest in applying for this initiative?

- ○ Applied
- ○ Intends to apply
- ○ Is considering applying
- ○ Does not intent to apply
- ○ Other ______

Which if any of these measures does your institution use to evaluate the success of **general financial counseling**? [Choose all that apply.]

- ☐ Survey after counseling session
- ☐ Ad hoc student feedback
- ☐ Compliance with regulations
- ☐ Dropout rates

- [ ] Default rates
- [ ] Total indebtedness of students
- [ ] Knowledge test
- [ ] Other
- [ ] Do not measure success

Research has identified several promising practices to improve **general student financial aid counseling**. Please let us know if your institution has efforts in each of these areas.

- [ ] Cross training – integrated messages for students developed across multiple departments in the institution
- [ ] Holistic approach – incorporating student loan information into a wider financial literacy program
- [ ] Marketing - using multiple points of contact to increase the impact of their communications
- [ ] Targeting - focusing resources to create more persuasive outreach to non-seekers
- [ ] In-person loan counseling
- [ ] Peer-to-peer counseling - using peer students as coaches offering information about financial issues beyond just student loans
- [ ] Data driven approach – using research and institution data for more than compliance purposes

Follow-up: Please provide us with more details on the areas you indicated where your institution does not have efforts in.

» Cross training – integrated messages for students developed across multiple departments in the institution

» Holistic approach – incorporating student loan information into a wider financial literacy program

» Marketing - using multiple points of contact to increase the impact of their communications

» Targeting - focusing resources to create more persuasive outreach to non-seekers

» In-person loan counseling

» Peer-to-peer counseling - using peer students as coaches offering information about financial issues beyond just student loans

» Data driven approach – using research and institution data for more than compliance purposes

Follow-up: Please tell us which method you think offers your institution the best return for the resources expended.

- » Cross training – integrated messages for students developed across multiple departments in the institution
- » Holistic approach – incorporating student loan information into a wider financial literacy program
- » Marketing - using multiple points of contact to increase the impact of their communications
- » Targeting - focusing resources to create more persuasive outreach to non-seekers
- » In-person loan counseling
- » Peer-to-peer counseling - using peer students as coaches offering information about financial issues beyond just student loans
- » Data driven approach – using research and institution data for more than compliance purposes

Follow-up: Please tell us why you think the method selected above offers your institution the best return:

Please tell us if your institution actively reaches out to each of the following target groups for general student loan counseling

First to college	
Minority students	
International students	
English as a Second Language students	
Students from lower income households	
Non-traditional (older, married, with children) students	
Students with low entrance scores	
Others (specify)	

Final Question

Follow-up: Please tell us how your institution reaches out to the target groups you selected?

» First to college

» Minority students

» International students

» English as a

Second Language students

» Students from lower income households

» Non-traditional (older, married, with children) students

» Students with low entrance scores

» Others (specify)

If you had no limits, what single change to **general student financial aid counseling** would you institute? Note, this can be regulatory, institutional, resource-related, etc. Don't feel constrained.

By clicking the "Submit Survey" button below you will be submitting this survey.

Once you have submitted the survey you will be given the opportunity to download a .pdf copy of your responses for your records.

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