

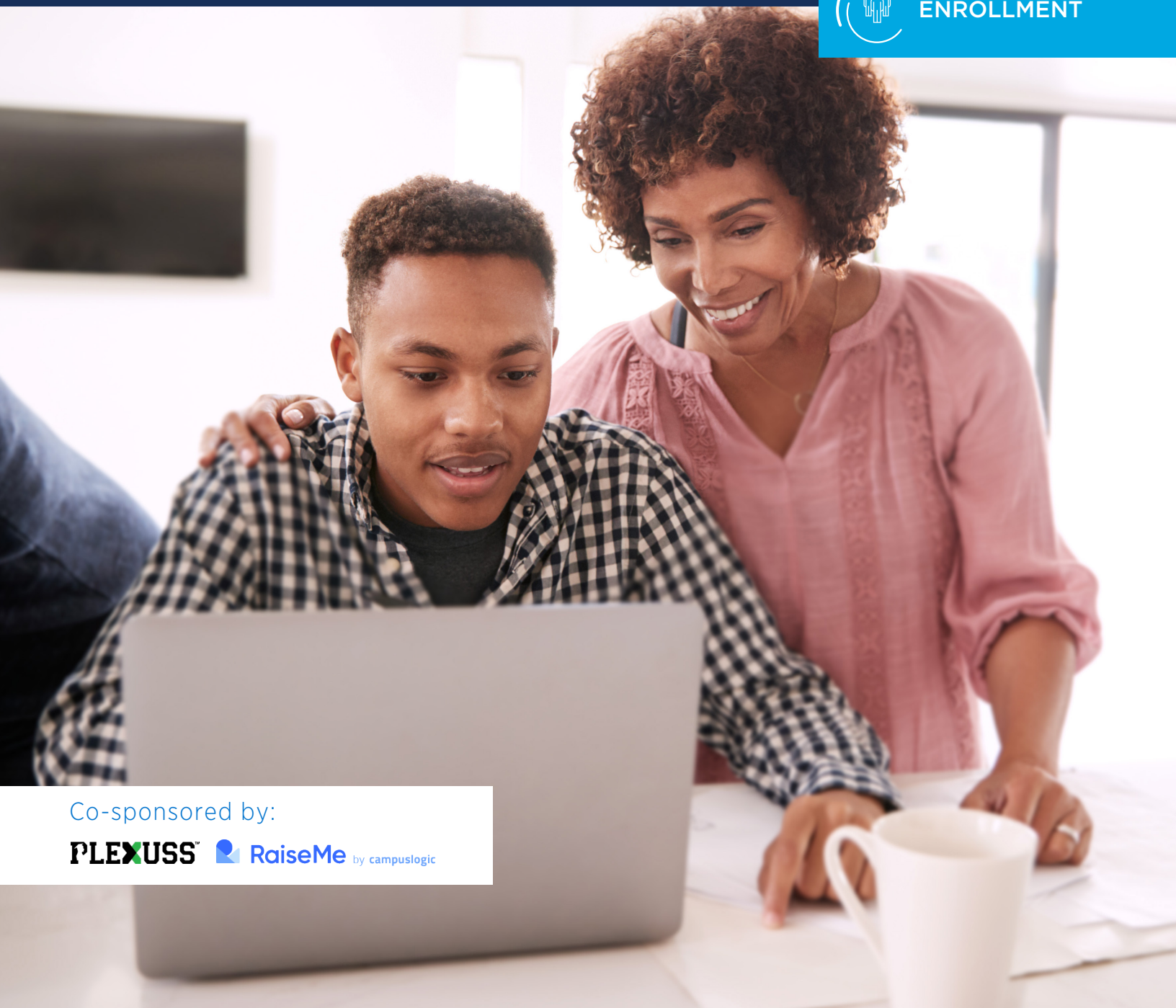


# 2020 High School Student Perceptions of College Financing Report

Learn about the experiences, expectations, and challenges high school juniors have about the financial aid process



ENROLLMENT



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## INTRODUCTION

### What are the experiences, expectations, and challenges of college-bound high school students and their families regarding college financing?

The cost of college was already a major area of concern for students and families before the COVID-19 crisis began. Rising tuition costs, increases in student borrowing and debt, and even greater questions about the worth of a college degree had already become top-of-mind issues for many considering college before the pandemic struck. Now, with the extra economic impact on families along with the uncertainty about what the college experience will look like in the future, putting students and families at ease about financing college and the value of that experience is more important than ever.

This *2020 Perceptions of College Financing Report* provides insights that colleges and universities can use to engage students and families in conversations about cost. RNL, PLEXUSS, and RaiseMe sponsored this poll to identify the concerns high school students have about paying for college and the resources that will help them manage the financial aid process. Some of the key findings:

- Cost is the top reason students stop considering an institution.
- Fewer than half of high school juniors reported receiving information about financial aid from campuses.
- Nine out of ten high school juniors expect they will need to take out loans to pay for college.
- Half of parents expect COVID-19 will cause the cost of college to increase.

With these and the remainder of the findings in the report, your institution can see how to align your financial aid communications with the concerns, needs, and expectations of students and parents.

## DEMOGRAPHICS See p. 17 for survey information

**1,978** completed responses from high school juniors (class of 2021)

### ETHNICITY

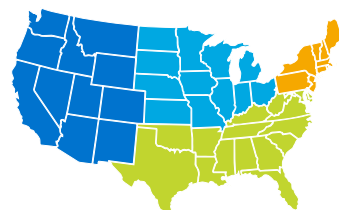
**47%** White    **24%** Hispanic or Latino    **18%** Black or African American    **17%** Asian    **6%** Other

### US REGION

**21%** Northeast    **23%** Midwest    **34%** South    **21%** West

### GENERATION STATUS

**34%** First generation    **66%** Non-first generation



## COLLEGE PLANNING

### Number of institutions students are interested in

When students conduct their college searches, how many institutions are they interested in? On average, they are interested in 6 institutions, but the average varied by student population.

#### NUMBER OF INSTITUTIONS BY STUDENT POPULATION

##### AVERAGE ACADEMIC ABILITY\*



Students are interested in 6 institutions on average.

##### HIGH ACADEMIC ABILITY



##### ASIAN



##### AFRICAN AMERICAN



##### WHITE



##### HISPANIC



##### FIRST GENERATION



##### NON-FIRST GENERATION



\*Academic ability criteria in this study:  
Average academic ability < 3.5 GPA > High academic ability

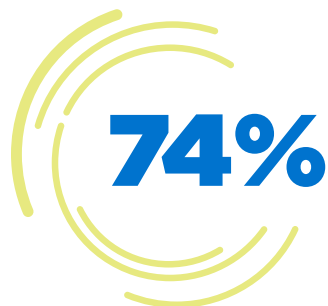
## HOW DO STUDENTS BECOME INTERESTED IN AN INSTITUTION?

They have my major or program of study	<b>66%</b>
Cost: It will be affordable enough for me to go there	<b>64%</b>
I like the location	<b>61%</b>
I am an athlete and would like to play intercollegiate athletics there	<b>47%</b>
I believe I will be accepted	<b>45%</b>
Good reputation	<b>44%</b>
I visited the campus and liked it	<b>28%</b>
I like the information and communications (emails, ads, mail, etc.) I received	<b>26%</b>
I feel welcome	<b>23%</b>
My parents want me to apply to a specific college	<b>12%</b>
My school counselor has encouraged me to apply	<b>11%</b>
Their performing arts or another type of arts programs	<b>10%</b>
I met an alumni of the school and liked what they shared	<b>7%</b>

## KEY TAKEAWAY

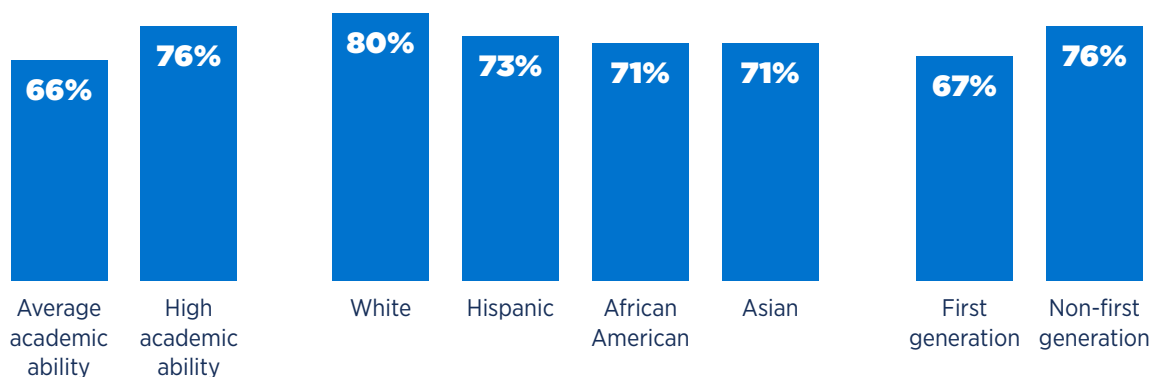
**Make top information easy to find online.** Majors, cost, and location were the top three factors by a significant margin. Campuses need to make sure that their websites and communications showcase their academic offerings, make it easy for students to calculate net cost of attendance, and also promote any location-specific benefits.



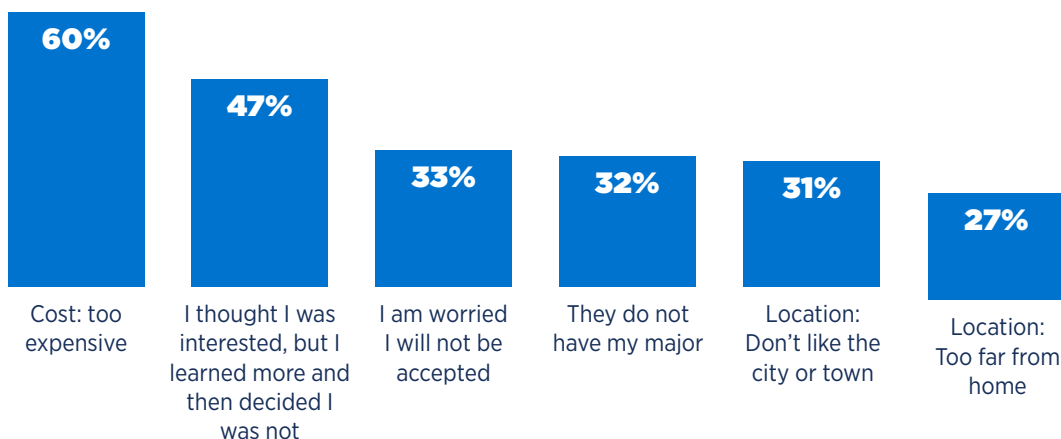


OF STUDENTS HAVE LOST INTEREST IN A COLLEGE THEY WERE PREVIOUSLY INTERESTED IN.

### PERCENTAGE WHO LOST INTEREST IN A COLLEGE BY STUDENT POPULATION



### REASONS STUDENTS LOST INTEREST IN A COLLEGE OR UNIVERSITY



### KEY TAKEAWAYS

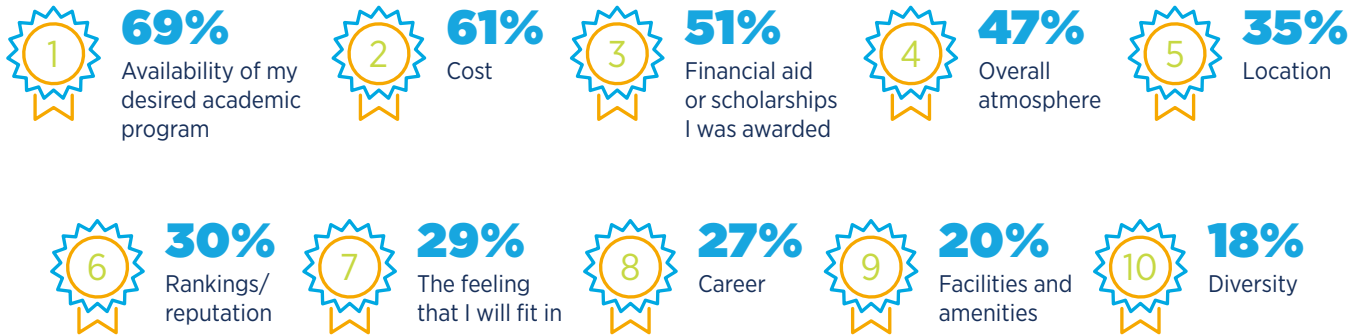
**Address concerns about cost early.** Given respondents are high school juniors, it's clear that they want to know early in the search process all the resources and potential aid available to them.

**Use net-cost calculators as recruitment tools.** Make sure that you have calculators that are customized to include institution-specific aid.

**Communicate clearly on financial aid.** Financial aid websites and communications need to be tailored to the student, use clear language, and incorporate figures so families can quickly understand costs and aid opportunities.

## TOP FACTORS TO ATTEND

We asked students, when looking at colleges, what are the most important factors to help them decide where to attend. Here were the top 10 factors:



Because every campus is unique, all early communications should drive students to visit the campus, both virtually and in person. Remember to focus on the benefits of the places that are unique to your campus, not on just the features of various academic and social settings around your institution.

## KEY TAKEAWAYS

**Aligning awarding with your enrollment strategy is more critical than ever.** Academic programs remain the top enrollment factor for students, but cost is close behind. Optimizing your financial aid strategy so you leverage the true enrollment impact of your awarding is critical to campus sustainability.

**Assess the enrollment impact of price elasticity and aid changes.** Measuring the impact of price and aid changes on enrollment provides key metrics for optimizing your enrollment, particularly when tracked at the academic program level.

**Address student melt and outcomes immediately.** Campuses cannot afford to lose enrolled students to summer melt or attrition, so be sure that students “fit in” immediately, have access to support resources they need to start strong, and begin connecting with career services so they can see the value of their degree at the beginning of their college career.

## INFORMATION REGARDING COST AND FINANCIAL AID

How many students have received information regarding financial aid from an institution?

**47%**

All students

**36%**

Average academic ability

**50%**

High academic ability

**41%**

First generation

**51%**

Non-first generation

### KEY TAKEAWAY

**Discuss and predict student need as early as possible.** More than half of the juniors in our study had not received any information on financial aid—a finding that is alarming given how critical financial aid is. This is where predictive modeling can be enormously useful in identifying students who may need financial aid assistance and information the most.

## HOW DID COLLEGES COMMUNICATE FINANCIAL AID INFORMATION?



**92%**

Via email



**53%**

Via direct mail



**8%**

Via text message



**8%**

Via the online student portal



**6%**

Over the phone



**6%**

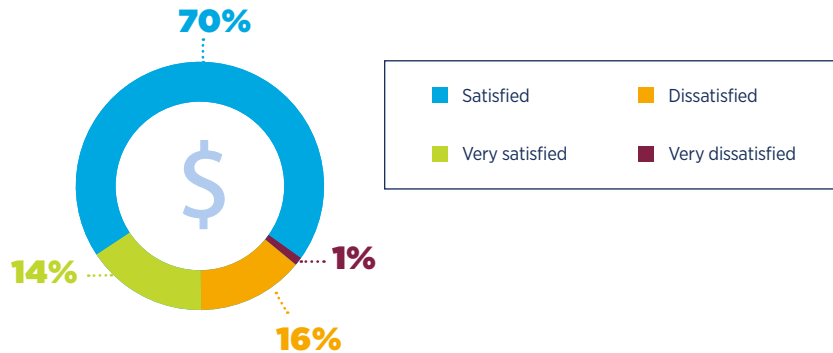
Video

### KEY TAKEAWAY

**Use more channels to reach students and families.** In this day and age, only using email and direct mail for something as critical as financial aid information is not enough. Videos and text messages about the process, deadlines, and the awards themselves can help you reach more prospective students with information that will play a major role in their enrollment decision.



## SATISFACTION WITH AID INFORMATION



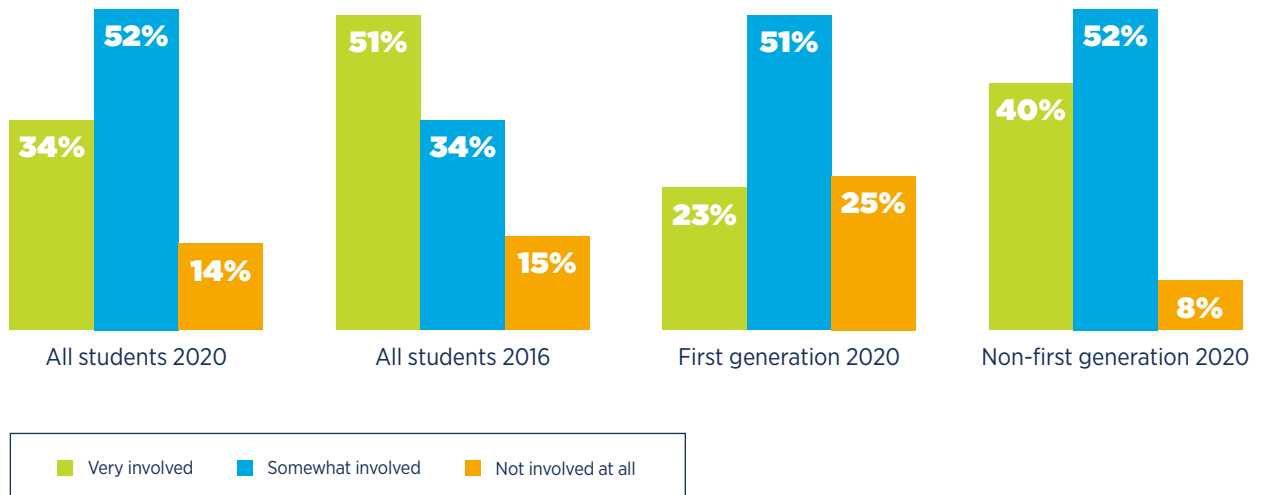
### KEY TAKEAWAY

**There's room for innovation in financial aid communication.** While it is good to see so many respondents being satisfied with their aid communications, there are still a significant number who are not. By using modern marketing and communications to inject more clarity and excitement into financial aid communications, you can make more of your constituents very satisfied with your aid messaging and help increase understanding for all who receive awards.

## PARENTAL INVOLVEMENT

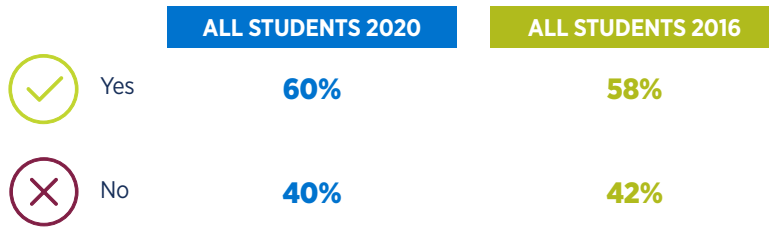


### PARENTAL INVOLVEMENT IN THE COLLEGE DECISION PROCESS



About the 2016 data: The 2016 results in this report are taken from the *2016 High School Students' and Parents Perceptions of Financial Aid Report* published by RNL.

## HAVE STUDENTS DISCUSSED HOW COLLEGE WILL BE FINANCED WITH THEIR PARENTS?



### ADDITIONAL 2020 RESULTS

Response	AVERAGE ACADEMIC ABILITY	HIGH ACADEMIC ABILITY	FIRST GENERATION	NON-FIRST GENERATION
Yes	49%	63%	46%	67%
No	51%	37%	54%	33%

## KEY TAKEAWAYS

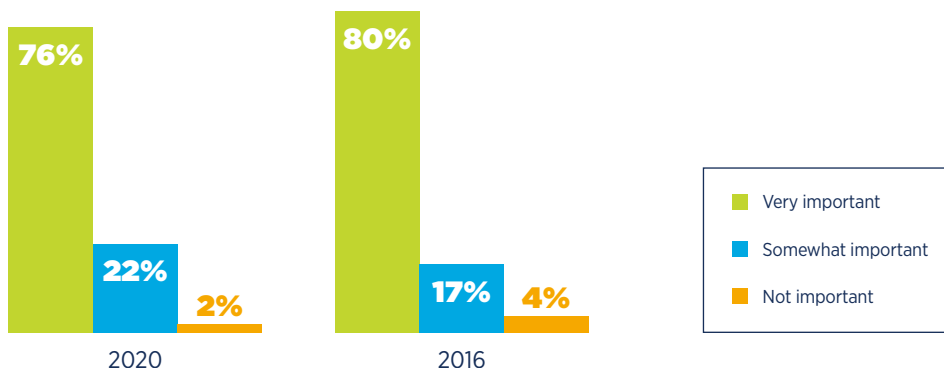
**Involve parents in the cost conversation.** Most juniors said their parents are involved with the college search process, but four out of ten said they had not talked about financing with their parents. Create communications that target parents and direct them to key financial aid resources.

**Provide more support for first-generation students.** There is a significant disparity in parental involvement for first-generation students. Make sure these students can get the extra support they may need during the financial aid process.

## COLLEGE FINANCING

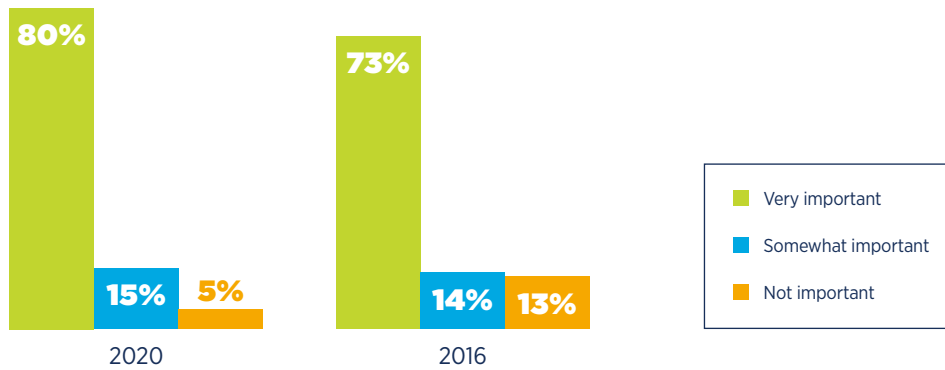
### IMPORTANCE OF FINANCIAL AID AND SCHOLARSHIPS IN THE ENROLLMENT DECISION

#### Students



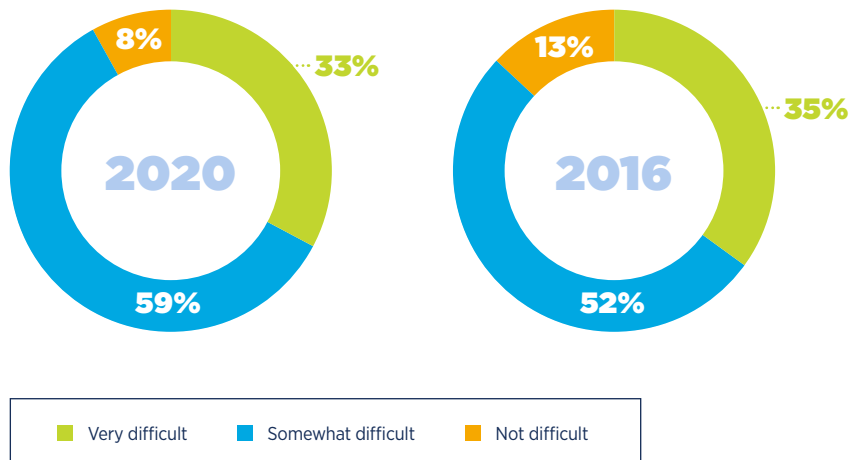
2020 Students	AVERAGE ACADEMIC ABILITY	HIGH ACADEMIC ABILITY	FIRST GENERATION	NON-FIRST GENERATION
Very important	74%	77%	87%	71%
Somewhat important	24%	21%	12%	26%
Not important	2%	2%	1%	3%

### Parents



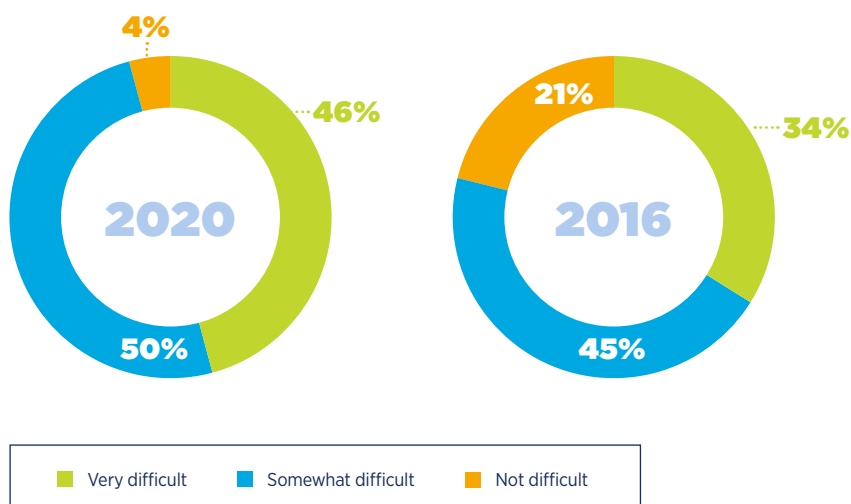
## HOW DIFFICULT WILL IT BE FOR STUDENTS AND FAMILIES TO FINANCE THEIR COLLEGE EDUCATION?

### Students



2020 Students	AVERAGE ACADEMIC ABILITY	HIGH ACADEMIC ABILITY	FIRST GENERATION	NON-FIRST GENERATION
Very difficult	44%	31%	47%	27%
Somewhat difficult	51%	61%	50%	63%
Not difficult	6%	9%	3%	11%

### Parents

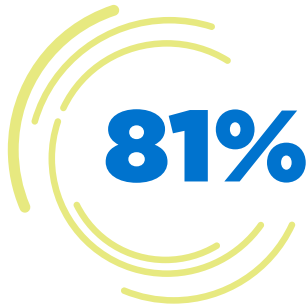


### KEY TAKEAWAY

**Provide as many resources as possible to support applying for aid.** With financial aid being more important and paying for college more difficult in 2020, campuses need to support families who will depend on aid to attend college and complete their educations. Schedule sessions (virtual as necessary) to explain the process, make resources such as net-cost calculators easy to find on your website, and provide help with completing the FAFSA.

## Effect of COVID-19 on college cost

COVID-19 has impacted college juniors and their families on a wide scale. We asked juniors and their families how it has altered their ability to pay for college.



81% OF PARENTS OF JUNIORS AFFECTED PERSONALLY OR FINANCIALLY BY COVID-19

Research by RNL, CampusESP, Cappex, and NAIA

### AS A RESULT OF COVID-19, WHAT ARE THE EXPECTATIONS FOR COLLEGE FUNDING AS IT STANDS TODAY?

It will cost...	STUDENTS	PARENTS	FIRST GENERATION	NON-FIRST GENERATION
About the same as in the past	46%	34%	39%	49%
More	34%	50%	40%	31%
Less	20%	17%	21%	20%

### HAS COVID-19 CHANGED THE ABILITY OF STUDENTS AND FAMILIES TO PAY FOR COLLEGE?



22%

Yes



27%

No



51%

Do not know yet

Response	AVERAGE ACADEMIC ABILITY	HIGH ACADEMIC ABILITY	FIRST GENERATION	NON-FIRST GENERATION
Yes	26%	21%	32%	18%
No	20%	28%	18%	31%
Do not know	54%	51%	50%	51%

## KEY TAKEAWAYS

**Address the uncertainty of parents and students with transparent communication.** These answers reveal much uncertainty and anxiety among families. Half of the surveyed parents believe COVID-19 will make college cost more. This means campuses will need to reassure parents about all available aid resources and be extremely strategic with scholarship awards.

**Communicate value regardless of the modality of classes.** There has been a good deal of discussion whether colleges and universities can charge full tuition for hybrid or remote education. Campuses will need to make sure they can discuss alumni outcomes and quantitatively demonstrate value.

## AMOUNT FAMILIES EXPECT TO BORROW



**More than half of college juniors** don't know how much they will have to borrow.

EXPECT TO BORROW	STUDENTS	PARENTS
Less than \$10,000	5%	4%
Between \$10,000 and \$20,000	13%	10%
Between \$20,001 and \$40,000	9%	11%
More than \$40,000	4%	15%
I don't know how much I will need to borrow	56%	42%
Not planning to borrow	12%	17%

## KEY TAKEAWAY

**Inform students and families how they can borrow responsibly.** Campuses need to educate prospective students on their borrowing options and obligations, so students can see what type of debt they can reasonably assume and how student loans can be an investment in a future career that will pay a lifetime of dividends.

## TOOLS AND SOURCES OF INFORMATION

There are many resources available to families as they research the cost of attending college and the financial aid they can receive. Respondents in this study rated two sets of resources: those for researching scholarships and financial aid, and those used to understand the costs of college. For each, they were asked whether they used it, and if they did, if they found the resource *useful* or *very useful*.

### SOURCES OF INFORMATION ON SCHOLARSHIPS AND FINANCIAL AID

Source	USED	USEFUL
College website	95%	95%
Emails, letters, brochures, etc. from college	93%	82%
Parents, relatives, and/or friends	90%	85%
High school counselor	81%	81%
College planning websites	69%	90%
Tour/campus visit	67%	94%
Social media	67%	83%
YouTube	64%	88%
College night/fair at high school	60%	85%
FAFSA website	52%	89%
College/university app	52%	87%
Athletic coach	30%	66%
Private college counselor	27%	82%





## TOOLS TO UNDERSTAND THE COSTS OF A COLLEGE EDUCATION

Source	USED	USEFUL
College website	91%	90%
Help from my parents	81%	82%
Printed materials from the college	79%	84%
High school counselor	75%	82%
Cost calculator	70%	92%
Printed information from a high school counselor	68%	83%
Social media	63%	77%
Financial aid websites	59%	89%
Conversations with the college's staff	55%	92%
Financial aid workshops	48%	88%

## KEY TAKEAWAYS

**Drive more students to net-cost calculators.** This resource was the most useful for understanding cost (with 92 percent of students using it rated as useful), but a resource that 30 percent of students did not use. Make sure your cost calculators are easy to find and customized for your institutional awarding.

**Draw on high school counselors as a resource for financial aid and cost.** Keep them updated on your resources and information so they can share them with prospective students.

**Make sure your financial aid materials look the part.** Given the importance of financial aid in the enrollment decision, your print and digital materials for financial aid should rival those used in recruitment communications in terms of quality, creative, and convincing messaging.

## REFERENCES

RNL (2016). *2016 High School Students' and Parents' Perceptions of Financial Aid*. Cedar Rapids, Iowa. Ruffalo Noel Levitz.

RNL, CampusESP, Cappex, & NAIA. (2020). *College Planning and the Perceptions of Parents After COVID-19*. Cedar Rapids, Iowa: Ruffalo Noel Levitz.



## 5 FINAL TAKEAWAYS

- ① **Address concerns about cost early in the college search process.** It should be concerning that fewer than half of the juniors in this study reported receiving financial aid information. Now more than ever, it's important to have the cost conversation early with prospective students and provide the resources they need.
- ② **Give students the tools they need to calculate cost accurately.** Net-cost calculators are an essential tool for families as they develop a financial plan for college. But they do no good if they are not easy to find or are generic calculators that cannot calculate institution-specific aid students may be eligible for.
- ③ **Use analytics to pinpoint need and prioritize resources.** Predictive modeling is an extraordinarily useful tool for identifying students who are more likely to need aid, helping you work more proactively with students. Modeling the potential effects of pricing and aid changes also provides invaluable strategic guidance. Put these tools to use for your campus.
- ④ **Elevate your financial aid communications to work as recruiting tools.** Sending an award letter and/or email is not enough in this day and age. You need to communicate with students across the channels they use every day. More importantly, your awarding communications also need to convey the value and benefit for attending your institution, not just the aid students will receive.
- ⑤ **Add video awarding messages to your communication mix.** Video is the medium that so many Generation Z students use. It's time for institutions to make the leap to video awarding communications as well, which can quickly explain the award amounts and engage students on attending.

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### Survey Information

The survey was sent via email to a random sample of 59,914 11th-grade high school students registered to the RaiseMe and PLEXUSS platforms. 1,978 students responded for a response rate of 3.3 percent. Responses were collected in May 2020.

## ABOUT THE REPORT SPONSORS



### About RNL

RNL is the leading provider of higher education enrollment, student success, and fundraising solutions. The firm serves more than 1,900 colleges and universities through data-driven solutions focused on the entire lifecycle of enrollment and fundraising, assuring students find the right program, graduate on time, secure their first job in their chosen field, and give back to support the next generation. With a deep knowledge of the industry, RNL provides institutions the ability to scale their efforts by tapping into a community of support and resources.

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### About PLEXUSS

PLEXUSS is a mission-driven digital platform impacting how prospective students and post-secondary institutions connect. Since 2015, the PLEXUSS Global Student Network™ has grown to over 7 million student users and nearly 18,000 post-secondary institutions worldwide. By leveraging proprietary AI technology, PLEXUSS engages students over longer periods, getting to know each student's individual needs and goals.

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### About RaiseMe

RaiseMe is on a mission to expand access to higher education by transforming the way billions of dollars in college scholarships are distributed each year. RaiseMe enables students to earn incremental performance-based scholarships directly from colleges throughout the high school, community college transfer, and undergraduate student journey, enabling colleges to reach students earlier in their higher ed journeys. Whether it's getting good grades, volunteering in the community, or leading a club, students on RaiseMe receive scholarships based on their unique skills and progress on their path to and through college. Since launching in the fall of 2014, students in over 30,000 high schools, community colleges, and four-year institutions across America have earned over \$6 billion in scholarships from 330+ colleges. RaiseMe is owned and operated by CampusLogic, Inc.

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