7 Disruptors Affecting Financial Aid

What's changing the game for financial aid and how can you stay ahead of it?
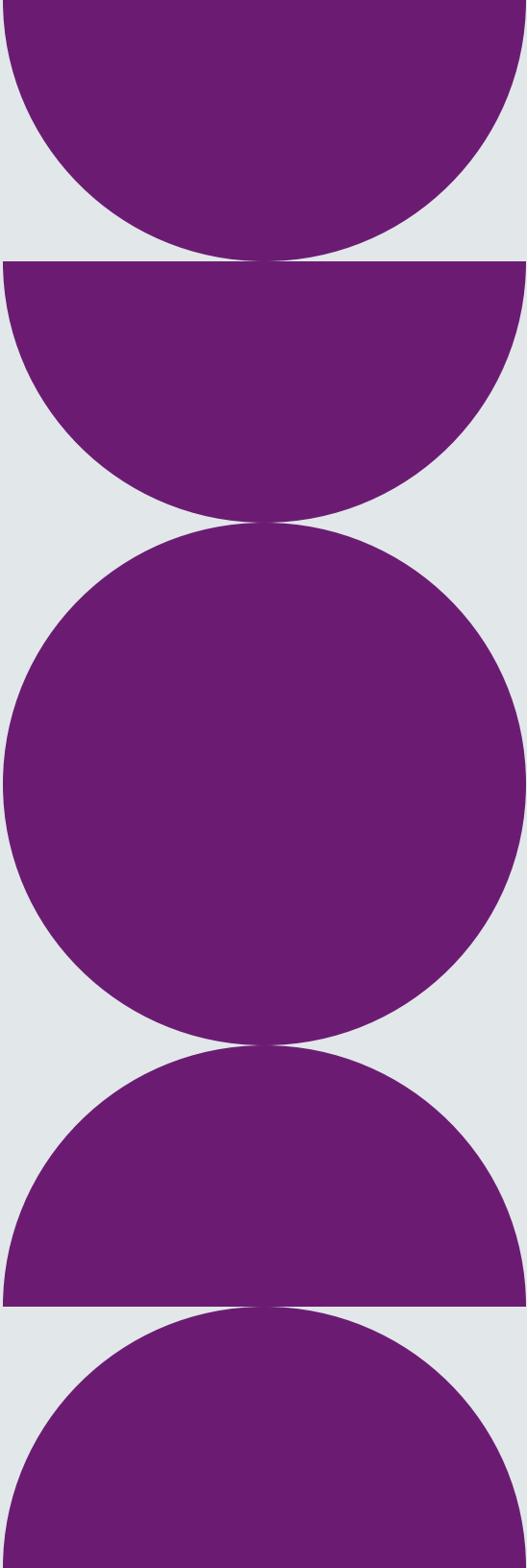
Are your financial aid processes and technology built to last?

While the digital transformation has been well underway for many, 2020 forced institutions to scramble for short-term solutions and move services online as quickly as possible. As higher education evolves, so do student expectations. Concurrently, staffing gaps have expanded and some of these quick fixes are revealing themselves to be less of a renovation and more of a patch job.

Remote services alone are not enough. Institutions need solutions that streamline processes and provide a reliable foundation for long-term enrollment and retention goals. At the same time, students need online, on-demand resources that work for them—meaning they're readily available and tailored to the needs and behaviors of today's learner. Tools that are unable to integrate and scale just aren't cut out for the job.

Here are **seven disruptors affecting financial aid completion** and solutions to solve for each one. By examining your processes, leading through change, and creating a sustainable plan for the future, your team will have the blueprint needed to build Student Financial Success from the ground up.

As higher education evolves, so do student expectations.

Virtual advising is essential because today's students won't wait for help.

The Story

Student expectations are not what they were 30 years ago. In a 2022 survey conducted by Educause, 65% of responding undergraduates preferred at least some portion of their learning to happen online.[1] This ratio is not only the result of widespread jumps to distance learning in 2020, but an overall shift in consumer habits. Students want everything to be accessible online, personalized to their needs, and available 24/7. If every app on their phones can deliver that, why can't higher education?

Financial aid is often the most important line of defense between student success and attrition. Students need individualized advising to navigate forms, meet deadlines, and fund their education. They expect that support to be accessible whenever they need it, which often means outside of business hours.

1. EDUCAUSE, "2022 Students and Technology Report: Rebalancing the Student Experience," October 3, 2022

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Reflection

- How can you provide personalized advising at scale?
- Does your school have easily accessible, 24/7 online resources for students?
- Does your team offer personalized, remote advising for students?
- Can students contact your office via multiple communication methods?
- How do your students like to communicate?
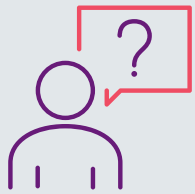
Did You Know?

VirtualAdvisor can answer up to 80% of students' most common questions, 24/7/365.

Plot Twist

You can overcome this disruptor by providing students with the resources they need—when and where they need them. Personalize their experience with emails and texts that contain the most relevant information for each student, like links to apply for scholarships they may qualify for or options to easily fill out often-complex financial aid paperwork.

Want something even better than answering simple requests manually and sending students to a static website? A virtual assistant powered by AI and integrated with your SIS can answer a range of personalized questions and guide students through critical processes, freeing you up for high-need advising cases. VirtualAdvisor is an on-demand conversation engine that answers the most common (and many uncommon) questions in more than 100 languages. It enables students to get the assistance they need for simple questions at anytime, which allows staff to focus on one-on-one advising for those who need it most.

It's the **end of paper.**

The Story

Think about your financial aid processes—submissions, professional judgements, verification, appeals, endless questions, and a lot of anxiety. This is an arduous, emotional endeavor for most families. Not all students can (or will) travel across campus to drop off a form—and many won't have access to a printer at home. That means when building Student Financial Success, paper is not a reliable option.

Most institutions have switched to emailing PDFs or a document upload product like Dropbox. These are quick fixes and a move in the right direction, but unfortunately, they aren't secure, and they don't intuitively move students through financial aid and enrollment processes to completion.

2

Reflection

- Does your office have a secure way for students to submit confidential information?

- What would be the easiest way for students to submit their financial aid forms?

- Do students at your school need to come into the financial aid office to submit documents?

- Is a printer required for your financial aid processes?

- Do your students need a fax machine to turn in forms?

Did You Know?

StudentForms has online task management, letting students know exactly where they are in their financial aid process and what's missing.

Plot Twist

You can cut through complexity and simplify the financial aid process by ensuring forms and processes are online and available any time. An ideal self-service portal includes compliant e-signature capabilities and clear explanations for confusing financial aid terms. And if the forms are connected to your SIS, seamless data flow will drive efficiency and enable tailored guidance.

With StudentForms, students can use a simple portal to complete complex financial aid processes and access financial aid forms from their phone or computer. It only takes a few taps, maybe snapping a photo or two, and they're done. Customers see an average decrease of 300% in verification completion time and 80% reduction in cycle times after they make the switch to StudentForms.

Today's students are more **cost-conscious** than ever before.

The Story

House-shopping on sites like Zillow is a popular pastime, not because everyone's gearing up for home ownership, but because it's a fantasy. For many prospects, higher education costs are similarly ballooning out of the realm of reality. Recent surveys show 78% of Gen Z is terrified of accruing debt.[2] Another survey reported that high school juniors are 20% less likely to apply for college if they don't believe they can afford it.[3] Prospective students who don't see higher education as affordable simply won't apply.

Financial aid professionals know funding already exists to bridge affordability gaps. Students just don't know how to access it. **In one academic year, over $2 billion in federal grants will go unclaimed.**[4] And millions in private scholarships aren't utilized. Financial aid offices need tools to unlock every dollar for students by connecting them with the funding they both need and qualify for.

2. Bread Financial, "Next-gen impact," 2022
3. U.S. Department of Education's National Center for Education Statistics, "College Affordability Views and College Enrollment," January 2022
4. Education Data Initiative, "Financial Aid Statistics," February 15, 2021

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Reflection

- Does your institution have a database of vetted, current scholarship opportunities?

- How do you match students to qualified scholarships?

- Do you have simplified processes for objectively awarding aid?

Did You Know?

ScholarshipUniverse keeps students in the loop on new scholarships and application updates with automated email and SMS notifications.

Plot Twist

Scholarships need applicants and students need funding to stay on track. The right technology automatically matches the two, guiding candidates through an intuitive, tailored experience and streamlining every step of the process for staff.

ScholarshipUniverse is an end-to-end scholarship management system, which continuously vets and updates its database to match best-fit students with funding opportunities. With robust dashboards and real-time data, you can simultaneously support direct-award and application-based scholarships. Renewable and multi-year scholarships are automatically re-matched against eligibility criteria, and integration with your SIS helps ensure all available funding is utilized to its fullest extent.

Business continuity
plans are being
put to the test.

The Story

Business continuity is the ability for an organization to keep core functions running when faced with an emergency or unplanned situation. When COVID-19 hit, higher education institutions were forced to make decisions about when to go virtual, how to continue learning, and how staff would continue their work.

Your financial aid office has adjusted, but is your team prepared for any future emergencies? From natural disasters to staff resignations, disruption can happen at any time, so your team needs to be ready to pivot overnight. Now is the time to create a contingency plan that can keep your financial aid office running smoothly no matter what comes your way.

4

Reflection

- Does your financial aid office have a backup plan for emergencies?
- How quickly can your team adapt to disruption?
- Do you measure and review important metrics to keep your office on track?
- How is your office actively preventing a breakdown in your processes?
- Do students know how to handle an interruption to financial aid processes?

Did You Know?

You can launch a virtual financial aid office in 90 days. With phased deployment from Ellucian, you'll soon be up and running—and ready for whatever comes your way.

Plot Twist

Think back to all the changes that had to be made at your institution at the onset of the pandemic. You rethought deeply ingrained processes, ensured clear communication with students, provided adequate training for remote learning, and more. If you haven't already, document the updates that were made and reflect on further changes that could make the process smoother or more efficient in the future.

Ask yourself—is your technology as agile as your team is? Scalable and interoperable virtual tools are the only way to provide uninterrupted financial aid support to students. Paper-based and in-person processes are vulnerable to error and disruption. Only digital tools will continue to function through any emergency that comes your way, but not just any software will do the trick.

Be sure you select a technology partner with experience in financial aid, quick turnaround times, and products that are easy to use for students and staff. Your tools should have a guaranteed uptime of 99.9% with SaaS-delivered cybersecurity and disaster recovery. Your institution can't afford anything less.

Cybersecurity threats are a constant and increasing risk, so **secure communication** with students is a must.

The Story

Institutions may have successfully modernized their operations, but that doesn't mean their security measures have adequately matured with them. According to a report by Check Point Research, cyberattacks increased by an average of 50% in 2021, with education being the most targeted sector.[5] While cybersecurity best practices should always be followed, it becomes especially urgent as threats continue to rapidly evolve.

Student information needs to be protected at all costs. The financial aid office is responsible for especially valuable data such as personal financial information, tax documents, social security numbers, and more. If this were to fall into the wrong hands, it could cost the institution millions, not to mention the damage dealt to its reputation and constituent trust. Secure software and practices are therefore critical.

5. Check Point Research, "Check Point 2022 Cyber Security Report," August 4, 2022

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Reflection

- How do you validate identity virtually?
- Are your systems FERPA- and GLBA-compliant?
- How does your financial aid office control who can view confidential student information?
- Does your institution have a compliant e-signature program?

Did You Know?

With CampusCommunicator, you can deliver dynamic, eye-catching communications to students—all in a secure environment.

Plot Twist

The best way to ensure that student information stays safe is through software with always-up-to-date security protocols designed for higher education institutions. Email and file-hosting services are susceptible to hackers, do not have specific controls for different users, and neglect to include the tools needed to stay safe today. Some features to ask about include data encryption while in transit and at rest, compliant e-signature capabilities, FERPA- and GLBA-compliant protocol, and different user roles.

Your institution can also be proactive by sending notices to students and staff about cybersecurity and how they can prevent their information from being stolen. Encourage them to create complex passwords, back up their files, and be vigilant about the emails they open. Provide a list of reputable URLs they can expect messages from and encourage them to immediately delete or report anything that looks suspicious. While hacking and phishing are not 100% preventable, having secure systems and teaching best practices to all users can greatly reduce the chances of your institution being impacted by such attacks.

Compressed timelines are here to stay.

The Story

The Great Resignation has peppered student services with staffing gaps that threaten the stability of the entire institution. For financial aid offices, the stats have been especially dire. In a 2022 study conducted by the National Association of Student Financial Aid Administrators, half of respondents reported operating at a 75% staffing capacity and nearly 80% voiced concerns about remaining administratively capable in the future.[6]

With policies changing all the time, questions and paperwork are coming in faster than financial aid skeleton crews can field them. Even with a full staff, there never seem to be enough hands to sort applications, answer appeals, and support every student in need. After adding in critical personnel gaps and compressed timelines, manual processes are out of the question. Only by going virtual and automating workflows can your staff keep up with student needs and stop the cycle of feeling overwhelmed and overworked.

6. National Association of Student Financial Aid Administrators, "Financial Aid Offices Face Intensifying Staffing Challenges Amid Pandemic," 2022

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Reflection

- Do your virtual systems have proven uptime?
- Does your financial aid office use automated workflows?
- Are financial aid staff able to spend time on the tasks that matter most?
- Are students able to access financial aid resources 24/7/365?
- Is your financial aid staff operating at reduced capacity?

Did You Know?

Ellucian offers a Student Financial Success Stack made up of four products: StudentForms, CampusCommunicator, ScholarshipUniverse, and VirtualAdvisor. With staggered implementation, your office can be fully virtual in 90 days.

Plot Twist

You can go toe-to-toe with compressed timelines by going virtual and working smarter. Not only will you tackle the lines and ditch the piles of paper, you'll also be able to help students anytime, anywhere, and on any device. Combat the time crunch in your office by automating tasks for your team, eliminating information discrepancies, utilizing student data to personalize communications, and teaming up with a smart virtual assistant that can answer a majority of common student questions and provide next steps. Plus, automation can monitor your institutional data to identify students who are falling off track, helping you take proactive measures sooner and positively impact student outcomes.

Sound like a tall order? It's not when you find the right platform. Look for comprehensive and intuitive software that seamlessly integrates with your SIS and be sure to ask about the level of support you'll receive throughout implementation. Prepare your team in advance for changes that are going to make their jobs easier. Then, plan on staggering implementation of multi-product platforms to give yourself and your team plenty of time to adapt to your new software.

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Just about every
institution is facing
a **budget crunch.**

The Story

On top of all the challenges higher education has faced in the
past few years, budgets are shrinking while the amount of work
only seems to multiply. Financial aid offices are being asked to do
more with less and it's impacting institutional goals.

Between spring 2021 and spring 2022, undergraduate
enrollment dropped by 4.7%. This is part of an alarming decline
that, since the start of the pandemic, now totals at 9.4% or nearly
1.4 million students.[7] Your financial aid office must be able to
adjust to the change in revenue while still being able to handle
the same amount of work, if not more.

7. National Student Clearinghouse Research Center, "Spring 2022 Current Term Enrollment Estimates," May 26, 2022

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Reflection

- Are you able to fill critical personnel gaps in your financial aid staff?
- Do your institution's tools actively work to increase enrollment and retention?
- Is your team using all the software and subscriptions it currently pays for?
- Is your team able to stay on top of workloads?
- What software would help you keep up with your workload?

Did You Know?

You can reduce time spent on SAP appeals, professional judgement requests, and verification when you implement StudentForms.

Plot Twist

Where budget cuts have put pressure on your team, software can lighten the load. The right technology can help your school buck enrollment trends, resulting in sustainable revenue.

When researching which software will be best for your institution, be sure to find one that can be implemented quickly to get the most return on investment. Also be on the lookout for products that can perform multiple functions. For example, an ideal tool can shorten your verification timeline and assist with distributing stimulus funds. Lastly, ensure that any software purchases integrate with your SIS as part of an efficient, interoperable technology ecosystem. Automation is key to alleviating much of the manual work your team is doing and helping you manage to be productive through any budget cuts you may experience.

Seven Disruptors, One Solution

Meet the Student Financial Success Stack

Working together, VirtualAdvisor, StudentForms, ScholarshipUniverse, and CampusCommunicator integrate with your SIS to unlock the full potential of your financial aid office.

VirtualAdvisor is a virtual assistant, powered by AI, which answers student questions 24/7. More than a chatbot, VirtualAdvisor can weave together data from multiple systems, and provide accurate, dynamic, multilingual answers to student questions—without a wait.

StudentForms allows higher education institutions to convert paper-based financial aid application processes to a digital, self-service opportunity for students. From the FAFSA verification process, to PJs, to SAP appeals, StudentForms makes the paperwork digital and mobile, while automating the collection process.

ScholarshipUniverse streamlines scholarship management from application through awarding and provides one-stop scholarship matching for students. Automation and simplicity combine with a vetted external scholarship database to create a modern solution that drastically increases fund utilization.

CampusCommunicator helps student communications stand out in crowded inboxes. Automated, dynamic messages provide students with engaging information and strong calls to action. Staff unlock higher open rates and usage trends, and can even choose from a library of video resources to ensure that messages are optimized to drive students along the path toward enrollment and financial aid completion.

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With the Student Financial Success Stack, four products come together in an expedited, phased implementation to transform your financial aid office and ensure you're prepared for today, tomorrow, and anything the future has in store.

To learn more about how Ellucian is helping modernize and empower campuses just like yours, visit us at **www.ellucian.com**

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