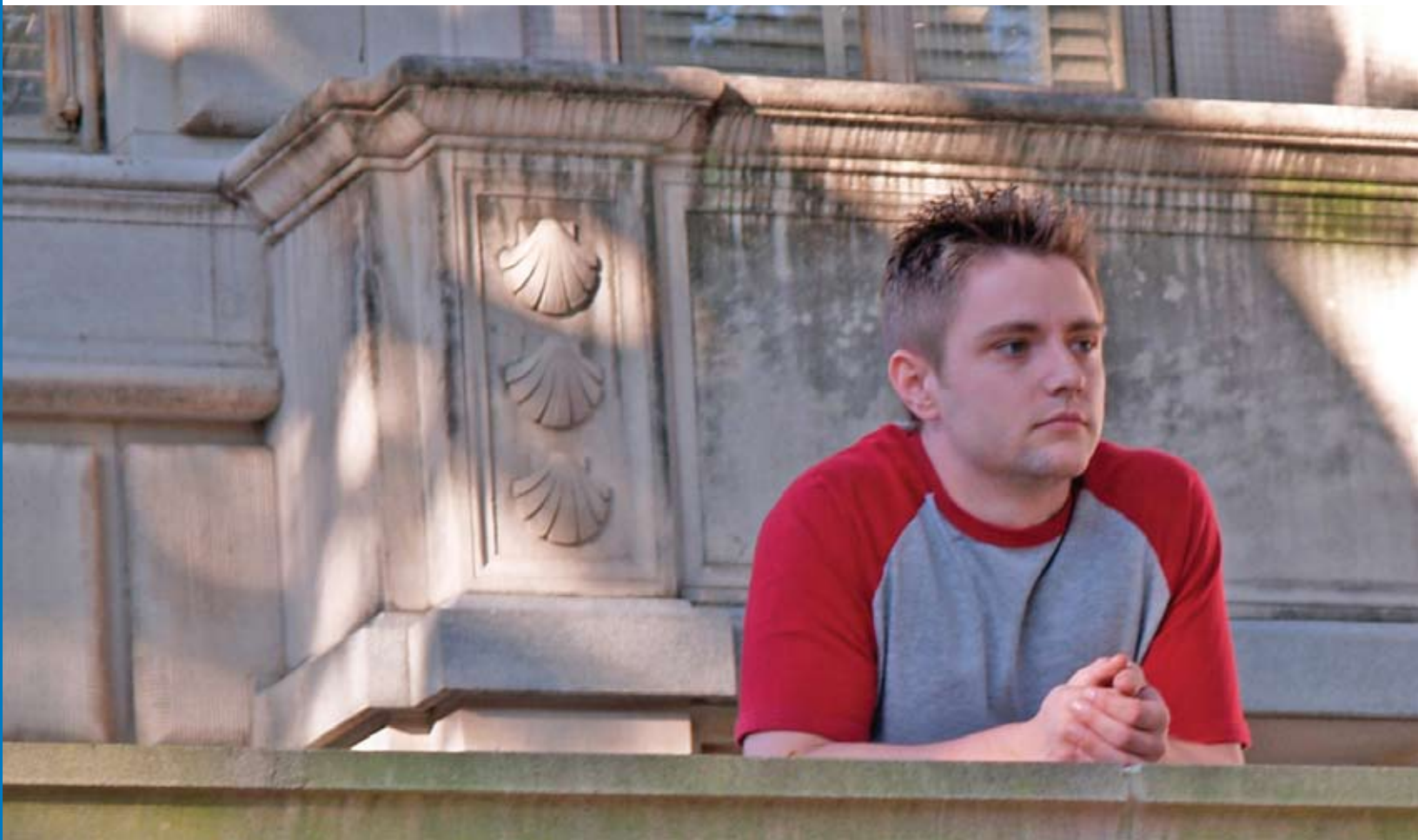# A Clear and Present Danger to Institutional and Student Success

A training model

A Clear and Present Danger to Institutional and Student Success

A training model for embedding student loan default aversion within strategic enrollment management

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Introduction

Default aversion within strategic enrollment management promotes institutional and student success

Since their inception, but more significantly in the past two decades, student financial aid programs have largely influenced students' ability to enroll in, and graduate from, institutions of higher education in the United States. In an era of increasing college costs, a clear and present danger to institutional and student success is the increasing reliance on student loans to finance postsecondary education, and the concomitant institutional management of student borrowing. The dual trend of rising college costs and increased reliance on student loans poses a new challenge to society.

The goal of this training model is to help maximize institutional and student success by:
- supporting academic and financial success among students through early and sustained interventions and education;
- engaging the whole campus community in support of wise borrowing among students; and
- helping institutions develop systemic default aversion efforts within strategic enrollment management.

An imperative for a new approach

During the 2005-06 academic year, $152 billion in student financial aid was used by students and families to help cover the cost of a postsecondary education in the United States (College Board, 2006, Table 1). Of this amount, more than 12 million federal student loans totaling $68.6 billion were available to students and parents. Nationally, student loans comprise 65 percent of all student aid.

Student loans have become a fact of life for many college students today. University-level undergraduates are graduating with between $15,000 and $20,000 in loan debt (Gladieux & Perna, 2005, p. 1). Students who graduate generally have a good opportunity to repay their loans, and only 2 percent of four-year graduates default on their student loans. Students who leave higher education without earning a degree or diploma are less fortunate. Of this group, 22 percent — or one in five students — end up defaulting on their student loans.

This is a disturbing reality of higher education. While student loans are necessary in many cases to aid the participation in higher education by students, too many students are forced to recant on their financial obligations due to fiscal constraints. The data above suggest one thing: Students who succeed in higher education have little problem with student loans; those who drop out face enormous hurdles in repayment.

At the same time, total cost of attendance at U.S. colleges and universities continues to rise exponentially. In 2006-07, the average cost of tuition and fees at a two-year institution was $2,272, compared to $5,836 at a four-year public and $22,218 at a four-year private institution (College Board, 2006b). For residential students, that is those who live on or close to campus, the total cost of attendance at a four-year institution was $12,796 and $30,367 for public and private institutions, respectively.

Thus, the dependency on loans for financing postsecondary education is only likely to grow in the foreseeable future. While demand for higher education has stabilized in the U.S., the higher costs associated with a postsecondary degree will increase the number and percentage of students taking on student loans, as will the aggregate amount they borrow. If success is met in helping a greater number of underrepresented students, such as Latino and low-income students, attend college in the future, this will also increase the loan levels in the country.

Increases in college costs and a greater reliance on student loans are compelling institutions to adopt a new approach in preventing student loan delinquency and default.

Student loan default aversion

This publication presents a model designed to help institutions develop a better understanding of their institution and to design a plan to assist borrowers in completing their education. The end goal is for student borrowers to repay their student loans and become productive members of society who contribute to the economy.

The model focuses on the development of proactive and systemic strategies built into existing or new strategic enrollment management (SEM) plans. By aligning campus default aversion efforts within enrollment management plans, institutions will be better able to equip students with loan management skills that will allow them to focus on academic progress, while managing their finances wisely. Systemic planning will yield institutional results in decreased student indebtedness, increased default aversion, and enhanced institutional effectiveness.

Critical to promoting student success on a college campus is the clear understanding that success only occurs with a campus-wide effort to support students during the entire postsecondary experience (Swail, Redd, and Perna, 2003). How an institution recruits, admits, and serves students

Systemic default aversion planning will decrease student indebtedness, increase default aversion, and enhance institutional effectiveness.

has a large impact on whether students stay or leave and, potentially, whether they pay or default on their student loans. Swail identified five key areas of consideration to increase student success on campus: recruitment and admissions, student services, academic services, financial aid, and teaching and learning.

Therefore, the model presented in this document assumes a substantial process on behalf of the institution in order to change the success rates on campus. Because this model deals specifically with students who receive financial aid, the focus is greater on the financial side than on other areas. However, to be clear, enrollment management and financial aid professionals need to incorporate the institution-at-large in this process in order to secure success.

Recognizing that not all institutions are the same, the training model is designed to allow institutions to choose strategies from the four phases of the model individually or in combination.

The training model format

This training model illustrates four classic phases of SEM: *Identifying, Recruiting, Retaining,* and *Sustaining.* Each of the phases includes key default aversion messages, which need to be incorporated within that phase. Each phase is comprised of four elements: *Goal, Discussion, Action,* and *Discussion Exercise.* These elements were strategically chosen to help institutions launch their default aversion efforts within enrollment management and with the intent to assist students in financing their success.

The appendix of this publication offers two comprehensive case studies which have incorporated this model into their efforts. The first is a case study of the University of Texas-Pan American, a four-year public institution in Edinburg, Texas, and the second case study highlights the University of the Incarnate Word, a private, four-year institution, in San Antonio, Texas. It is also important to recognize that many two-year public institutions, or community colleges, are including student loans in the financial aid packages offered to their students. Recognizing that not all institutions are the same, the training model is designed to allow institutions to choose strategies from the four phases individually or in combination. Institutions also are encouraged to use selected best practices according to their goals and resources. In support of this statement, TG and the Educational Policy Institute (EPI) jointly created the Effective Practices in Student Success (EPSS) Web site which offers best practices in a variety of strategies designed to help institutions increase the academic success of postsecondary students. For more information, visit www. educationalpolicy.org/epss.

Phase 1: Identifying students—Focus on targeted student populations

In strategic enrollment management the term *identification* refers to the complex process of collecting data for comprehensive statistical analysis that will drive proactive student recruitment, retention, and graduation efforts by pinpointing the most effective opportunities for student interaction. McGuire (1976) defined enrollment management as "a process that brings together often disparate functions having to do with recruiting, funding, tracking, and replacing students as they move toward, within, and away from an institution. "This same approach can be used to position default aversion within the enrollment management process. More specifically, it can be used to drive a systemic institutional default aversion plan which incorporates the entire campus in the process.

Offices across campus have a role in default aversion.

Goal:

The default aversion goal of phase one is to identify targeted student populations for in-depth statistical analysis that will yield information on student behaviors as students deal with educational loans. Phase one is designed to assist campus staff in conducting in-depth statistical analysis to identify students who:

Borrow	Do not borrow
Repay student loans	Default on student loans

This data analysis can demonstrate that every student is a potential loan repayer or defaulter. Data can support financial aid staff in strategically engaging the campus community in systemic default aversion efforts that will ensure student participation and success in a way that increases overall student retention.

Discussion:

Default aversion models driven by financial aid offices out of necessity focus primarily on reducing student loan default rates by identifying students who miss payments, increasing loan counseling, and adjusting financial aid packaging. While this methodology has indeed been successful in decreasing the default rate, deeper data analysis can address more systemic causes of default. Closer study can link non-payment patterns to lack of student participation, diminished academic success, and eventual attrition.

The financial aid staff at The University of Texas-Pan American in Edinburg, Texas, (see case study, pg. 26) designed an institutional statistical framework that allowed for greater data gathering flexibility and cross-departmental data analysis to examine the following student characteristics:

- Demographic data for prospective and current students
- Loan repayment patterns for freshmen
- Satisfactory academic progress (SAP)
- Grade point average (GPA) and default rates
- Cohort graduation rates

Action:

Building a data-driven framework that identifies student default patterns within a strategic enrollment management plan requires institutional support. The framework is built by assigning financial and staff support to facilitate gathering data, synthesizing information, and formulating, articulating, and executing a substantive plan that will finance student success.

Some campuses may utilize staffing inside the financial aid offices, while others may lean heavily on the institutional research department to help identify data to be collected and analyzed. In turn, this plan drives developing policies, programs, and procedures that infuse systemic attention on default aversion. That process begins with an understanding that the financial aid office will use the vast amount of economic, demographic, and psychographic data at its disposal to identify student populations on which the institution as a whole can focus systemic attention. That attention then yields a sharp focus on targeted student populations for whom an institution can create better informed default aversion strategies, make decisions on packaging philosophies, and find more creative ways to help finance student success. Without question, default aversion promotes student success.

> Closer study can link non-payment patterns to lack of student participation, diminished academic success, and eventual attrition.

The process begins with an understanding that the financial aid office will use the vast amount of economic, demographic, and psychographic data at its disposal to identify student populations on which the institution as a whole can focus systemic attention.

Building a statistical framework to identify students and finance their success

Staff

- Assign a project manager.
- Form a cross-institutional data analysis team to define research criteria and knowledge to be gained.
- Appoint/hire a staff that understands the design of statistical models and methodologies—graduate assistant(s), research associate/analyst(s)

Data and analysis

- Ensure adequate technology and data sources sufficient for gathering data about targeted student populations; design data marts, data warehouses, existing student information systems.
- Create a methodology to gather data.
- Collaborate with internal and external entities: guaranty agencies for data on defaulters; admissions, registrar, office of institutional research, university system for data on current students, and data of high school graduates provided by state education agencies.
- Examine retention rates by estimated family contribution (EFC) ranges, loan type, and packaging classes.
- Garner ISIR data to get a detailed profile of all the characteristics of defaulters (from prior defualt analysis) to begin to track trends in new student population and design analysis to aid in increasing retention and reducing possible default groups.
- Refine cohort groups and examine currently enrolled student populations and modify counseling schedules.
- Continue to analyze default groups after the period defined by federal regulations to see how the longevity exists in defaults.

Critical Messages

- Create a communications plan addressing default aversion messages that engage the entire campus community.

Policies and procedures

- Develop packaging philosophies to aid in reducing default risks for pre-determined targeted student populations.
- Use semester cohort tracking mechanism to reduce possible defaulters through intervention strategies and specialized couseling.
- Continue to analyze default groups after the period defined by federal regulations to identify long-term trends in default.
- Continue to work with cohort groups beyond the federal reporting period to help resolve default issues.

Evaluation

- Define a key performance indicators and reporting metrics and their impact on institutional effectiveness with specific focus on default aversion and student retention

Discussion exercise

Goal: Gain campus-wide support for building a framework to conduct a comprehensive statistical analysis

Part 1: Ask the following questions considering default aversion initiatives on your campus:

1. How do student loans benefit students and the institution?

2. What is needed to support a comprehensive research effort on your campus?

3. How can your institution use default aversion research to help measure institutional effectiveness?

Part 2: Conduct a campus discussion to help build a framework for conducting a statistical analysis.

Function: Assign staff
Resources: Institutional leaders
Specifics: Every office has a role in default aversion. Focus on institutional effectiveness via strategic enrollment management.

Function: Assign staff
Resources: Working teams
Specifics:
1. Project management guided by engaging collaborators
2. Data gathering and analysis led by key staff
3. Technical support with priority status
4. Communication efforts to encourage cross campus linkages

Function: Gather and analyze data
Resources: Data networks
Specifics: Every student is a potential loan repayer or defaulter.
Internal data sources:
• Admissions, Registrar, Financial Aid, Advising/Placement, Career Planning, Institutional Research/Data Management
External data sources:
• State agencies who oversee public and higher education
• Guaranty agencies
• Membership associations at the state or national level for financial aid administrators, collegiate registrars and admissions officers, college admissions counselors, the Southern Regional Education Board (SREB), etc.

Function: Synthesize key messages
Resources: Critical institutional messages
Specifics: Create a communication plan to drive inclusion of default prevention messages to engage the campus community in default prevention efforts.

Function: Formulate a campus action plan
Resources: Philosophy, policies, and procedures
Specifics: Formulate a philosophy relative to default aversion; develop policies and procedures that support student participation and academic success.

Function: Assess the payoff
Resources: Philosophy, policies, and procedures
Specifics: Define key default aversion performance indicators, reporting metrics, and their impact on institutional effectiveness. Default aversion promotes student success.

Function: Build trend data
Resources: Data networks
Specifics: Make an institutional commitment to building default aversion trend data.

Phase 2: Recruiting students — Start early with education

Early and regular exchanges between students and institutions are crucial to decreasing student indebtedness and fostering effective default aversion.

In strategic enrollment management the term *recruiting* refers to the systematic process of attracting targeted groups of students who will be admitted, enrolled, and graduated from an institution. Achieving the best match between an institution and a student requires early and regular exchanges of information from the first point of contact until graduation. The same approach is necessary for an institution to help students manage rising college costs and potential dependence on student loans. Early and regular exchanges between the student and the institution are crucial to decreasing student indebtedness and fostering effective default aversion.

Goal:

The default aversion goal of phase two is to provide early student loan education to students, parents, and high school counselors as a part of the recruiting process, attracting students who will succeed on campus and equipping them to finance their success.

Discussion:

The focus of enrollment management originally was on recruiting, admitting, and enrolling students. With increased competition for students, financial aid offices have come to play an integral role in the strategic enrollment management process. Few colleges can attract, recruit, or graduate students without discussions about a partnership between the institution, the parents, and the students in financing college costs. Few students will leave college without having taken a loan. Statistics indicate that a large percentage of the financial aid available consists of student loans. To ensure complete collegiate success, students who borrow must plan their debt. A key to long-term collegiate success is loan default aversion.

Enrollment management has always included identifying factors that influence student decisions. Studies and surveys conducted annually confirm that the family income, family educational background, and the high school attended greatly influence educational goals, expectations, choices, and success. In making the final decision on which institution to attend, students and parents must address the cost of attending the institution and how it will be financed.

Keys to successful recruiting include the ability to attract students who can succeed on campus, and the development of a process that will equip them to finance their collegiate success. A strategic enrollment management plan must address on and off-campus education in three areas which affect a student's enrollment decision:

1. The cost of attending college

Paying for college ranks high among the factors influencing enrollment decisions because it is one of the largest investments most families make, second only to purchasing a home.

- Printed projected expenditures must include more than tuition, books, and fees. They must extend to other costs such as room and board, clothing, school supplies, transportation, and other miscellaneous expenditures.
- Educational expenses often exceed what families expect and this often leads them to the institution for guidance on how to finance educational expenses.
- The reality that few students will leave college without having taken a loan should compel colleges to embed loan default aversion into their strategic enrollment management plan.

2. Awareness of aid

The primary responsibility for meeting the costs of attending institutions of higher education belongs to the student and the student's family; however, institutions can offer financial support.

- Financial assistance of some form is available to all students. Consequently, it is important that parents and students have early access to accurate and timely information. Early student loan education is critical to diminishing long-term debt burden.
- Collaborative efforts between high schools and colleges facilitate access to financial aid information, which is usually disseminated through the guidance offices.
- Most student financial aid programs require a financial needs analysis. All students seeking financial assistance should be encouraged to submit a Free Application for Federal Student Aid (FAFSA) to the Department of Education (ED) as early as possible.
- Students should be encouraged to complete their degree programs as early as possible and should have the opportunity to discuss the pros and cons of delaying or extending the time it will take to graduate.

To ensure complete collegiate success, students who borrow must borrow wisely and plan their debt. A key to long-term collegiate success is loan default aversion.

3. Use of student loans that encourages prudent borrowing

Student loan programs account for the largest amount of financial aid funds awarded to students. More than one-half of all college students complete their education with the assistance of student loans.

- Students and parents should be encouraged to investigate all sources of gift aid prior to applying for a loan.
- Students should be encouraged to borrow only the amount of funds needed to cover education-related expenses, such as tuition, books, and room and board.
- Students should be aware that there are different types of loan programs and should be encouraged to review their choice of programs and lenders carefully.
- Students should be made aware that educational loans are legally-binding contracts. They should have access to examples of loan repayment schedules, penalties associated with defaulting, and options available to help meet contractual agreements.
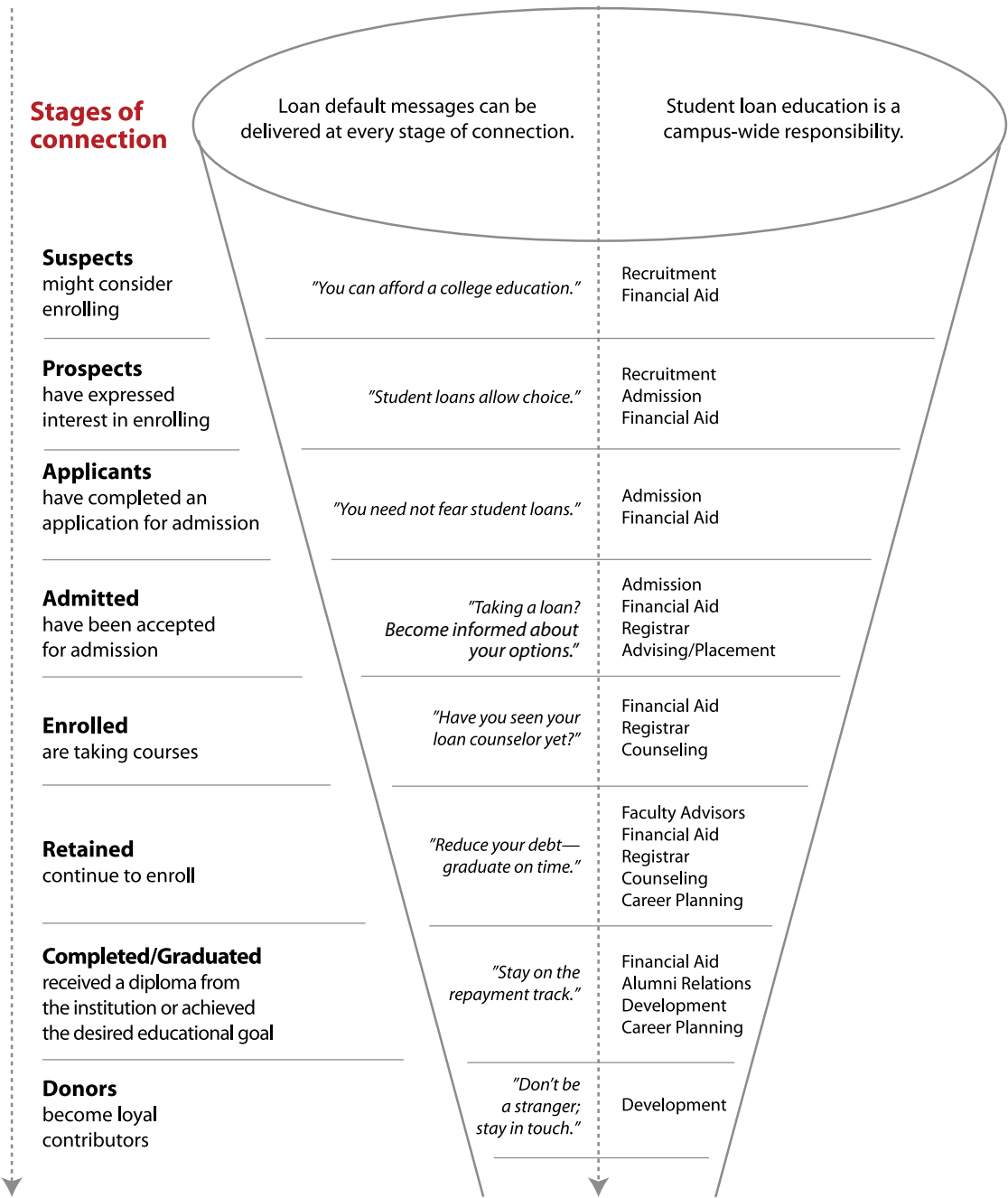
Action:

Educate prospective students and their parents about the benefits of student loans. Appropriate use of student loans as part of the institution's recruiting efforts is necessary for the long-term financial success of its students. Campus-wide information about student loans and the details of wise borrowing are needed to increase access to higher education and influence educational student choice. Collaborative partnerships on and off campus are key to facilitating discussions that impact wise use of student loans. Loan default aversion increases as student loan planning is considered an integral part of an enrollment management plan.

Collaborative partnerships on and off campus are key to facilitating discussions that impact wise use of student loans.

The Enrollment Management Funnel

Stages of connection

Loan default messages can be delivered at every stage of connection.

Student loan education is a campus-wide responsibility.

Suspects
might consider enrolling

"You can afford a college education."

Recruitment
Financial Aid

Prospects
have expressed interest in enrolling

"Student loans allow choice."

Recruitment
Admission
Financial Aid

Applicants
have completed an application for admission

"You need not fear student loans."

Admission
Financial Aid

Admitted
have been accepted for admission

"Taking a loan? Become informed about your options."

Admission
Financial Aid
Registrar
Advising/Placement

Enrolled
are taking courses

"Have you seen your loan counselor yet?"

Financial Aid
Registrar
Counseling

Retained
continue to enroll

"Reduce your debt— graduate on time."

Faculty Advisors
Financial Aid
Registrar
Counseling
Career Planning

Completed/Graduated
received a diploma from the institution or achieved the desired educational goal

"Stay on the repayment track."

Financial Aid
Alumni Relations
Development
Career Planning

Donors
become loyal contributors

"Don't be a stranger; stay in touch."

Development

As students consider and reconsider enrollment, they are associated with an institution through various stages of connection. Student loan considerations change as does the enrollment status. The enrollment management funnel provides a basic framework for planning early student loan education and consciously increasing loan default aversion.

Discussion exercise

Goal: Develop a plan for embedding loan information in recruiting activities

Part 1: Using the enrollment management funnel on Page 13 for reference, consider the following:
- How is default aversion currently addressed along the different stages of connection shown on the funnel? Are prospective and enrolled students receiving the information and support they need? Are cross-departmental linkages in place to maximize connection efforts?
- Consider your institution's default aversion policies and practices. Do you see other areas where you can affect student default aversion efforts?
- You can choose to play a role in default aversion efforts. What steps do you need to take?

Part 2: Conduct discussions for embedding default aversion education in the recruiting process.

Information	What are the key default aversion messages you want to convey?	Who needs to know? How is information shared?
The place of default aversion in strategic enrollment management planning:		
Full cost of attending college:		
Financial aid—institutional philosophy and practices:		
Benefits of student loans and smart borrowing to the student and the institution:		

Phase 3: Retaining students—engage the cross-campus community

In strategic enrollment management the term *retention* refers to the process of students' satisfactory academic progress and persistence towards degree completion. To ensure student progress, a comprehensive strategic enrollment management plan requires interrelationships among management structures and staff functions including admissions, financial aid, orientation, advising, marketing research, and student attrition research. An institution's student loan philosophy, process, and operations should be infused into the strategic enrollment management plan to implement the most systemically efficient default aversion practices.

Goal:

The default aversion goal of phase three in enrollment management is to infuse default aversion strategies into existing or new institutional retention initiatives while engaging new campus partners in the efforts. By ensuring wise borrowing, institutions support satisfactory academic progress, promote timely graduation, limit debt burden, and decrease the likelihood of default.

Discussion:

Student attrition has an economic impact on a society, the institution, and most importantly, the student. It is, therefore, in the best interest of the institution to focus on satisfactory academic progress and timely degree completion while addressing loan default aversion. Higher education's focus on increased graduation rates is key to sustaining institutional viability and supporting overall economic well-being. Student retention is a campus-wide responsibility. While student loan default aversion and borrower education have traditionally been the responsibility of the financial aid office, engaging cross-campus involvement in this area can benefit the student and the institution. Graduation decreases loan defaults and equals dollars for the student and institution. Infusing default aversion strategies into enrollment management plans presents another method of addressing the financial needs of students. Studies on rising college costs underscore the importance of financial aid programs and their role in recruitment and retention. Because the highest proportion of financial aid consists of student loans, institution-specific research is needed to address issues related to awarding philosophies, reliance on loans, and increased indebtedness — particularly as they affect loan delinquency or default.

By ensuring wise borrowing, institutions support satisfactory academic progress, promote timely graduation, limit debt burden, and decrease the likelihood of default.

Current experience suggests that enrollment management efforts cannot succeed without interrelated management structures and cross-staff functions. In general, institutional approaches to retention are most successful when scholarship, curriculum, and student support services programs are coordinated in a cross-campus manner, where all entities are involved in the solution.

Most existing programs can benefit from adding a default aversion component to the initial program design. Since student loan education is typically viewed as the exclusive purview of financial aid officers, on-campus partnerships addressing default aversion present both a challenge and an opportunity for innovation.

Action:

Campus-wide awareness of the impact of student loans on institutional and student success makes loan default aversion education a strategic enrollment management responsibility. Clearly, retention programs focusing on scholarship, curriculum, or student services need not have default aversion as a primary focus. However, to achieve holistic long-term success, programs should, in some way, equip students to manage the financial obligations they will inevitably incur. Institutions should infuse proactive retention efforts beginning at the recruiting phase and extending beyond the time students leave campus so that students leave prepared for post-graduate life and loan repayment. The key to helping students finance higher education lies in consciously including default aversion education within retention initiatives.

The motivation for pushing forward is that default aversion has an economic impact on the life of an institution and the student.
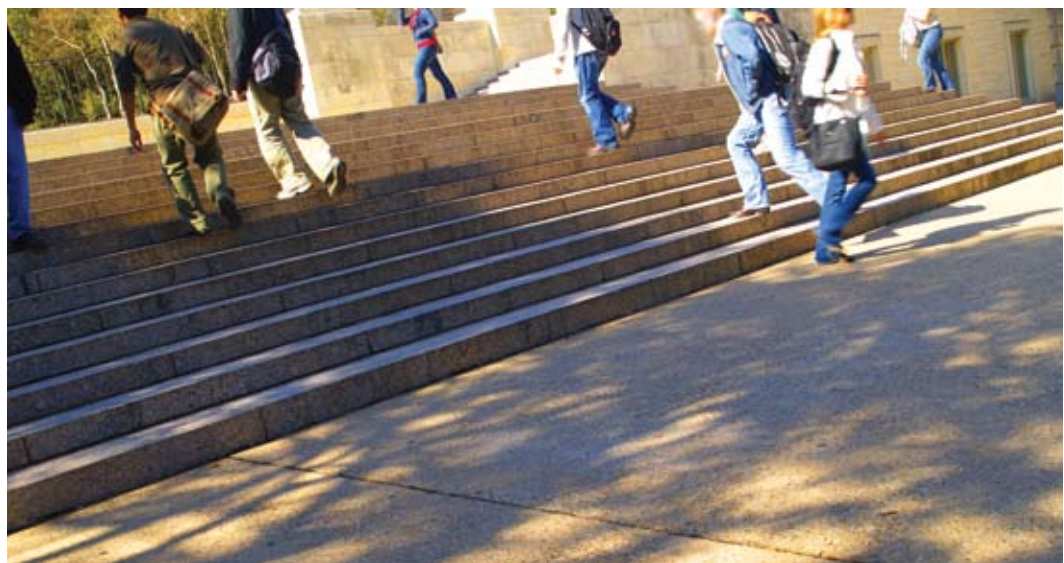
Embedding student loan education in retention initiatives

Institutional success is dependent on attracting and recruiting academically prepared students who have the potential to succeed on campus. Student success is dependent on making satisfactory academic progress and persisting toward degree completion. To ensure retention of well-prepared students and especially those from minority or low-income groups, the University of Texas at Austin (UT) created two programs: The President's Scholars Program and the Longhorn Opportunity Scholars Program. These retention-focused programs are designed to ensure student success and effect diversity on the campus. As a result of such success, UT also lessens the likelihood of student loan defaults. To accomplish this, the Longhorn Opportunity Scholars Program includes the following features:

- Scholarship – Students receive academic scholarships.
- Curriculum – Includes a four-year honors program for top 10 percent students from select Texas high schools whose graduates have been historically underrepresented and whose communities are categorized as low-income.
- Student support services – Students are provided with housing assistance, advising support, peer support in the form of mentoring, invitations to special events to enhance their college experience, access to smaller classes, and opportunities to participate in faculty research.

Strategies for infusing loan default aversion into outreach activities:

Activity	Office/Function
Provide parents with information about the benefits and responsibilities of student loans.	• Outreach • Financial aid • Recruitment
Educate students on ways to augment scholarship dollars and impact long-term earning power.	• Financial aid • Advising/Placement
Use student mentors to share their experiences using student loans.	• Orientation • Advising • Career counseling

Since student loan education is typically viewed as the exclusive purview of financial aid officers, on-campus partnerships addressing default aversion present both a challenge and an opportunity for innovation.

Retention strategies must include effective curriculum, academic support, and student life services to engage the student in the entire life of the institution, especially during their critical first year. Research indicates that students who are engaged in campus activities early in the enrollment period are more likely to persist toward degree completion, and therefore less likely to stop out and ultimately default on their loan obligations.

Three programs that recognize the importance of students' engaging on campus, student persistence, and student support services include the following:

1. The First-Year Learning Communities Program at Texas A&M University-Corpus Christi has required all full-time, first-year students to enroll in clusters of three or four courses as a part of the program. As a result of their participation, students earned higher grades in learning community courses with lower course withdrawal rates than students who took the same courses outside of the learning communities. Students also reported significant improvement with respect to critical thinking, note taking, writing, and working with others in groups.

2. New Borrower Education Sessions at University of Texas - Brownsville/Texas Southmost College require new students to attend sessions where staff members describe the impact of loan default on the institution and the student. These efforts are conducted to provide support services to entering freshmen, which are critical to the institution's retention efforts. Other support services include mentoring, peer tutorials, and Work-Study.

3. The Policy Center on the First Year of College, a national research center with a basic mission to improve the first year of college, named 13 colleges and universities as "Institutions of Excellence in the First College Year." Successful institutions were chosen on the basis of key criteria that included having an intentional, comprehensive approach to first-year student education; demonstrating broad impact on significant numbers of first-year students; and fostering involvement of a broad range of faculty, student affairs professionals, administrators and others in first-year programs. For more information, visit www.firstyear.org.

However, to be clear, research also suggests that focusing only on the first year is not sufficient to engage students and increase student retention (Swail, Redd, and Perna, 2003). Students associated with risk factors to postsecondary success, such as poor academic preparation, coming from a single parent household, and others, need significant academic and social support throughout the college experience.

Strategies for infusing loan default aversion into academic settings:

Activity	Office/Function
Use lectures to discuss student loans.	• Curriculum design for first-year courses • Freshman admissions
Discuss student loans during first-year required courses. Use student loan default aversion as a topic for a class paper.	• Orientation • Faculty • Financial aid
Inform faculty about the economic impact of student loans on the institution and their role in helping educate students about fiscal responsibility.	• Enrollment management • Financial aid
Provide loan information sessions at orientation.	• Orientation • Financial aid
Institute student-delivered loan information sessions in student dorms.	• Financial aid • Housing

Discussion exercise

Goal: Infuse default aversion strategies into retention initiatives.

Using the chart below as a framework for discussion, consider existing programs or new ways that default aversion activities can be infused into existing retention programs on campus. List the action steps necessary to achieve progress.

Program focus	Program and goal	Potential for default aversion initiatives
Scholarship		
Curriculum		
Student instructional support		
Student support services		

Phase 4: Sustaining connections—Foster internal and external student relationships

In strategic enrollment management, the term *sustaining* refers to an institution's ability to maintain regular and open connections with students who are enrolled as well as those who have left the campus, either as stop outs, dropouts, or transfers. Internal and external student connections sustain service well beyond enrollment. Substantive strategic enrollment management plans include strategies for connecting with alumni who can continue to replenish the enrollment base. Similarly, ongoing student connections are necessary in managing student loan default aversion. Sustained relationships and partnerships keep borrowers informed and committed to institutions they have attended or from which they graduate.

Goal:

The goal of default aversion in phase four of enrollment management is to establish ongoing student connections that will increase loan default aversion opportunities. The process includes demystifying partnerships among student loan borrowers, the institution, and financial aid professionals and organizations.

Discussion:

A successful financial aid office must be proactive in sustaining its role as a prime mover in promoting default aversion goals within the institution's strategic enrollment management plan. Systemic inclusion of student loan default aversion strategies in a strategic enrollment management plan will require changing a mindset and introducing chief administrators, faculty, staff, and students to the critical role that financial aid plays in both student success and default aversion.

To ensure campus-wide acceptance of the default aversion goals within enrollment management, the campus community must be introduced to the lending community, which has been traditionally the silent partner in the financial aid packaging process. Lenders have worked primarily with financial aid officers. The financial aid officer who accepts the challenge of infusing student loan default aversion into a strategic enrollment management plan will have to devise methods for building connections between the campus community and the lending community. Given the current fiscal limitations of federal and state financial aid programs, student loans will play an increasing role in access and choice in higher education. This is especially true for the middle class, second-generation, college-going population. Therefore, institutional success depends on both on-campus and off-campus partnerships.

Higher education administrators who accept the challenge of infusing student loan default aversion into a strategic enrollment management plan will need to devise methods for building connections between the campus community and the lending community.
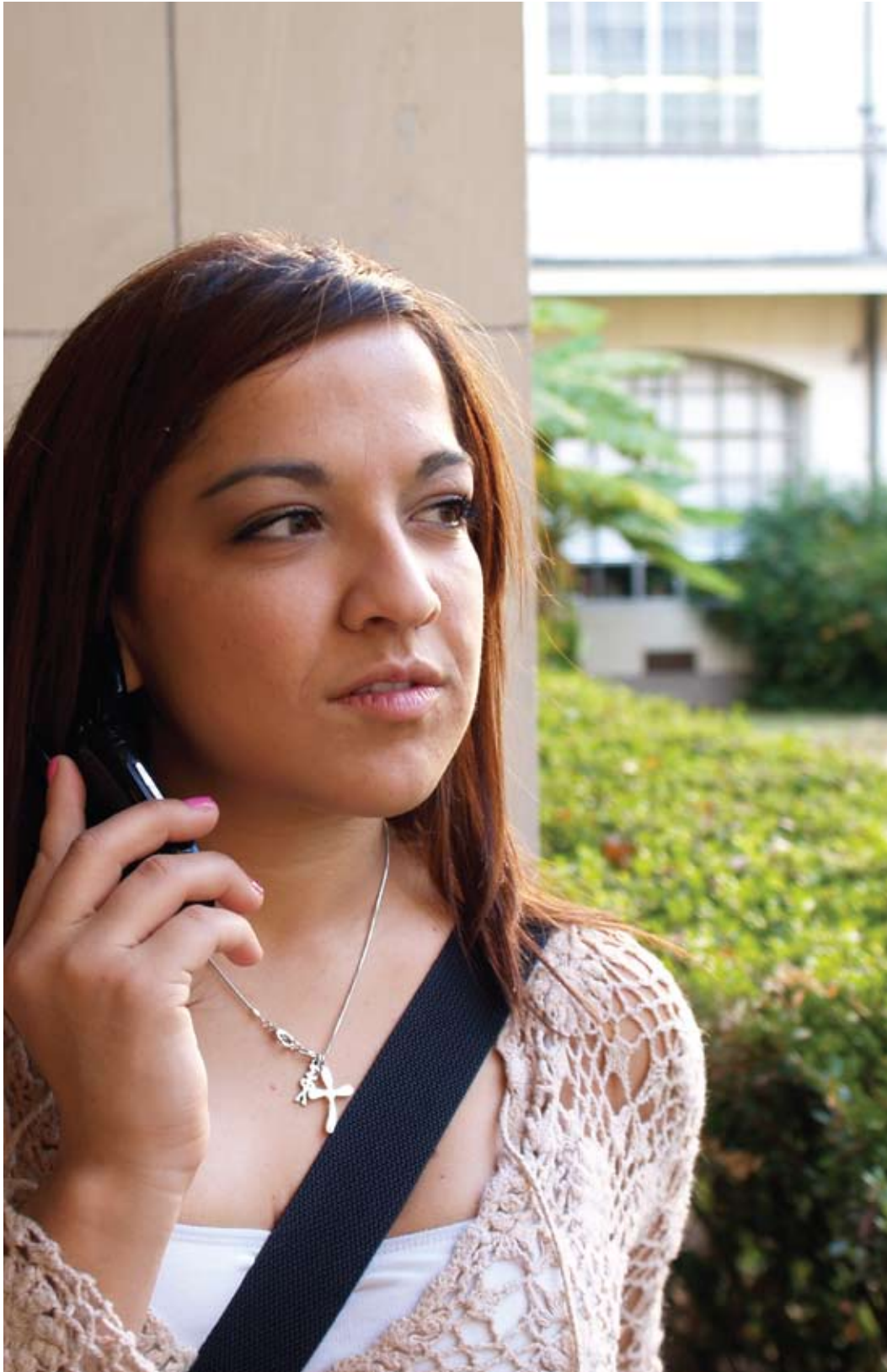
Action:

Financial aid officers will be faced with bringing together a diverse set of institutional stakeholders to the process. Toward this end, they are responsible for introducing the campus community to student loan default aversion goals with a wide blend of strategies that will form new and sustained partnerships. Working to clarify and articulate the role of all campus departments and offices in sustaining connections can help demonstrate that campus connections increase default aversion. In formulating campus-wide connections, consider the following strategies to facilitate student re-admission and/or new transfer enrollments:

- Establish formal withdrawal procedures that require "sign off" by the financial aid office before a student is allowed to withdraw. This will help ensure proper counseling on loan repayment obligations.
- Provide timely exit counseling, including details on deferments, forbearances, repayments, and grace periods. Re-admission and transfer information is essential for re-enrollment.
- Provide cross-functional training for financial aid, admissions, and registrar offices to maximize their connections with students and ensure that prior loan balances or unmet financial obligations do not prevent a student from re-enrolling or cause a student to withdraw.
- Offer transfer scholarships or gift aid to provide student incentives for re-enrolling.

Strategies for engaging alumni offices in support of default aversion goals:
- Establish working relationships with the alumni office to maximize student connections regarding loan repayment and default aversion. They can be a valuable resource in skip-tracing efforts and in disseminating additional information to former students.
- Use alumni office newsletters, mailings, and Web sites to facilitate proactive contacts with former students on any of the following: repayment reminders, deferment and forbearance information and forms, graduate school information, budgeting and financial resources default aversion messages, and consumer information on loan consolidation.

These strategies support student connections with the campus, which result in improved alumni relations, increased potential for donations, and admission referrals. They help demonstrate that campus connections decrease loan defaults and build support for systemic default aversion within a strategic enrollment management plan.

Campus connections decrease loan defaults and build support for systemic default aversion within a strategic enrollment management plan.

Discussion exercise

Goal: Establish ongoing student connections and build new partnerships.

Use the chart below to develop a plan to sustain student connections and build partnerships in support of default aversion efforts.

Students	Activities	Partners
Enrolled students		
Students who have stopped out or dropped out		
Recent Graduates		
Alumni		

The University of Texas – Pan American (UTPA) Edinburg, Texas

A case study in default aversion within strategic enrollment management (SEM)

Photo by Josue Esparza, UTPA Office of University Relations

Case study: The University of Texas – Pan American, Edinburg, Texas
Strategic enrollment management systemic approach to default aversion

University of Texas-Pan American (UTPA) enrollment facts:

- UTPA is a regional, public, four-year university located in South Texas. Ninety-three percent of the student population comes from four surrounding counties: Cameron, Hidalgo, Willacy, and Starr.
- Hispanics comprise 87 percent of the student population, with approximately 75 percent being first-generation college students.
- By 2010 the Hispanic population in the Rio Grande Valley is expected to account for 91.9 percent of South Texas residents (1,296,228).
- The Rio Grande Valley's 7.4 percent unemployment rate is significantly higher than the unemployment rate of the state of Texas, which was 4.9 percent in 2006.
- In the fall of 2006, 86.7 percent of the enrolled students received some type of financial aid. Most of these students worked full- or part-time while attending school.
- The six-year graduation rate is 29.6 percent. UTPA studies show that after a 10-year period the graduation rate increases to almost 50 percent.

Student loan default aversion progress:

- In 1992 UTPA's cohort default rate was 20.9 percent, up 6.4 percent from 1991.
- In 1993 a comprehensive statistical analysis was conducted to identify the average student loan defaulter. Students at risk of defaulting were targeted for proactive measures.
- For cohort year 2001, UTPA's cohort default rate was 6.5 percent. In the fall of 2002, UTPA conducted a second in-depth analysis to further refine its default aversion policies and practices.
- For cohort year 2004, UTPA's cohort default rate was 2.6 percent. In the fall of 2006, UTPA conducted an analysis on students at-risk of defaulting to help further refine aversion policies and practices.

Comparison of national, Texas, and UTPA default rates
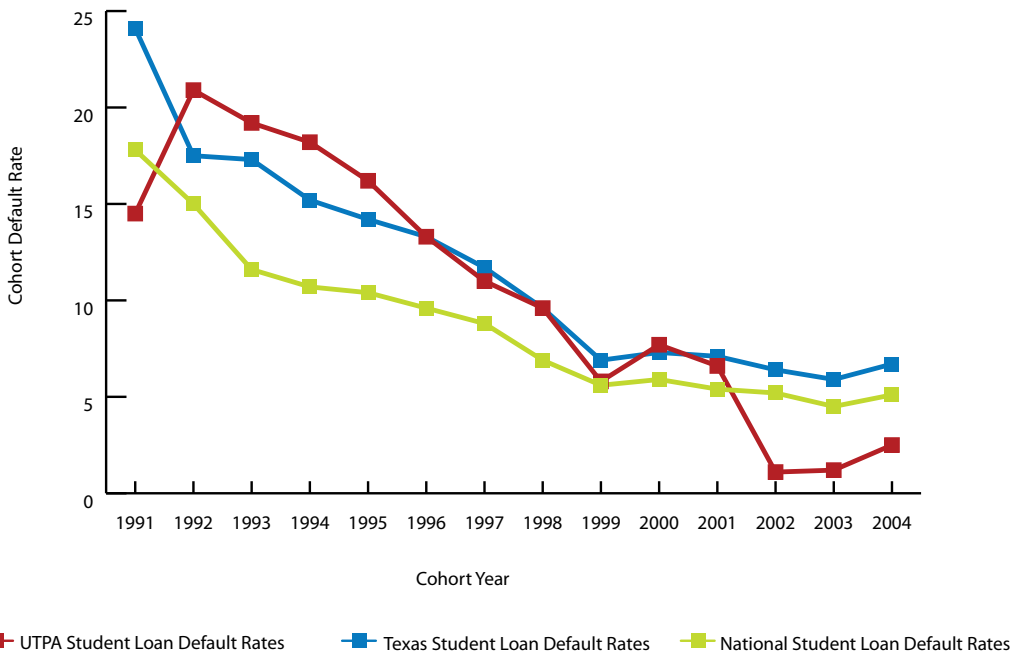
Planning for the future

To achieve systemic implementation of default aversion measures, UTPA infused its efforts into its strategic enrollment management plan. Using four classic phases of strategic enrollment management — _identifying, recruiting, retaining, and sustaining_ — the staff identified offices that play key roles in helping students succeed academically and financially. The emphasis remained on increased loan default aversion efforts.

UTPA Phase 1: Identifying students — Focus on targeted student populations

UTPA SEM goal:

Build a statistical framework to yield data that would identify student populations on which to focus default aversion strategies, and engage cross-campus units in the effort.

A Statistical Framework Yields Data to Drive Default Aversion

Step 1. Conduct demographic research for targeted markets

Demographic data

County	Population	Unemployment rate	Per capita income (2005)	Persons below poverty level
Hidalgo	677,902	7.7%	$16,359	30.5%
Cameron	378,074	6.6%	$17,410	29.4%
Starr	61,193	13.1%	$12,197	34.8%
Willacy	20,663	9.1%	$18,417	29.6%
Texas	**22,859,968**	**4.7%**	**$32,460**	**16.2%**

Source: Population: Office of the State Demographer, State of Texas, 2005; Employment Data: Texas Workforce Commission, Jan. 2007; Poverty Level: U.S. Census Bureau 2004.

Findings:

- The unemployment rate in UTPA's primary enrollment markets exceeded the state level.
- The average income is only 50 percent of the state average income — the poverty rate is significant.

Step 2. Study student enrollment, success, and retention trends

Student enrollment by county

County	1998	1999	2000	2001	2002	2003	2004	2005	2006
Cameron	7.0%	6.8%	6.5%	6.7%	6.5%	6.4%	6.7%	6.9%	6.5%
Hidalgo	80.9%	82%	82%	81%	81%	82%	82%	81%	80%
Starr	5.0%	4.7%	4.5%	4.3%	4.6%	4.6%	4.3%	4.2%	4.2%
Willacy	1.4%	1.3%	1.1%	1.1%	1.2%	1.0%	0.9%	1.0%	1.0%
Total	**94.3%**	**94.8%**	**94.1%**	**93.1%**	**93.3%**	**94%**	**93.9%**	**93.1%**	**91.7%**

Overall enrollment by academic year

Class	1998	1999	2000	2001	2002	2003	2004	2005	2006
Freshmen	3,541	3,566	3,644	4,029	4,064	4,588	4,955	4,476	4,325
Sophomore	2,109	2,062	2,051	2,136	2,420	2,489	2,655	2,766	2,967
Junior	1,918	1,943	2,035	2,079	2,261	2,613	2,829	2,972	3,072
Senior	2,657	2,789	2,843	3,086	3,197	3,448	3,737	4,041	4,121
Master's	1,577	1,579	1,513	1,594	1,808	1,959	2,142	2,002	2,158
Doctoral	52	65	61	75	74	87	100	103	103
Total	**11,854**	**12,004**	**12,147**	**12,999**	**13,824**	**15,184**	**16,418**	**16,360**	**16,746**

Percent of full-time students retained after one year

	1999	2000	2001	2002	2003	2004	2005	2006
First-time freshmen retained	57.0%	54.9%	61.9%	64.5%	64.9%	66.6%	71.8%	*
White freshmen retained	58.5%	52.1%	52.1%	58.7%	*	*	*	*
Hispanic freshman retained	56.9%	52.2%	62.2%	64.5%	*	*	*	*

Ethnicity in the undergraduate level

| Race	1998	1999	2000	2001	2002	2003	2004	2005	2006
White	11%	8%	12%	6%	6%	8.4%	5.2%	5.3%	4.6%
Hispanic	86%	85%	85%	86%	87%	88.2%	88.5%	87.7%	88%
Other	3%	7%	3%	8%	7%	0%	2.1%	1.6%	1%

Findings:

- UTPA enrollment comes from the surrounding four counties, especially from Hidalgo County, where the per capita income is particularly low.
- The largest attrition gap exists between the freshmen and sophomore levels.
- Approximately 71 percent to 75 percent of the entering freshman population consisted of first-generation college-going students.
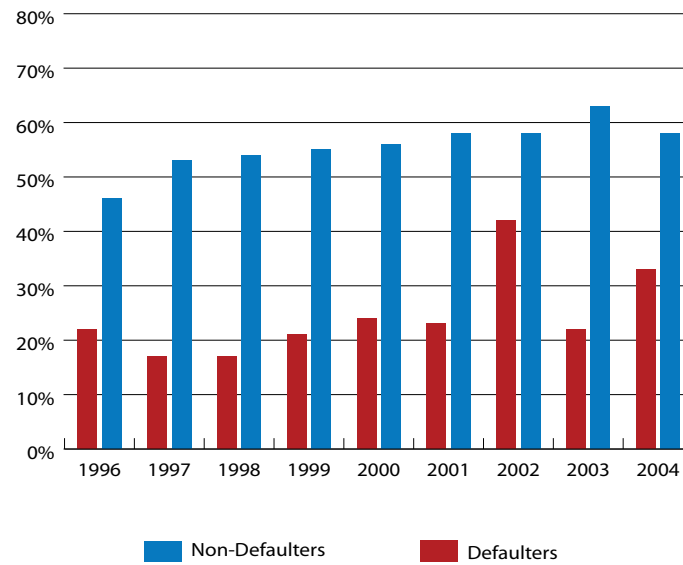
* final figures not available at time of printing

Step 3. Study student behavior trends and default patterns by cohort year
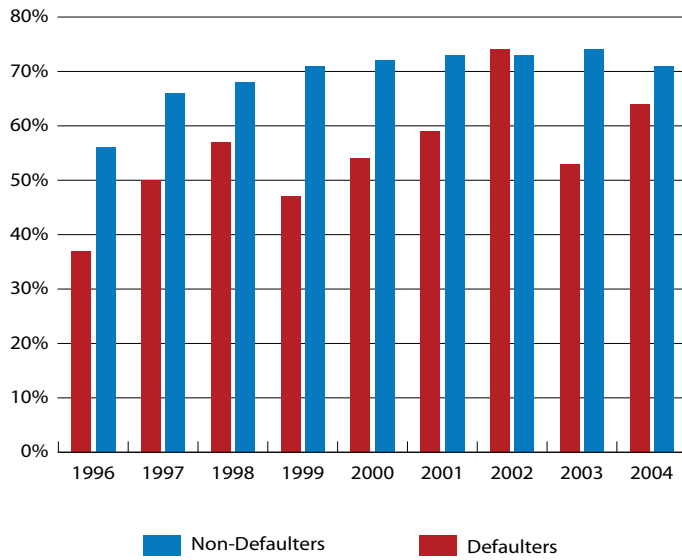
Student behavior trends:

*Percentage of UTPA Freshman re-payers by cohort year*

Non-Defaulters   Defaulters
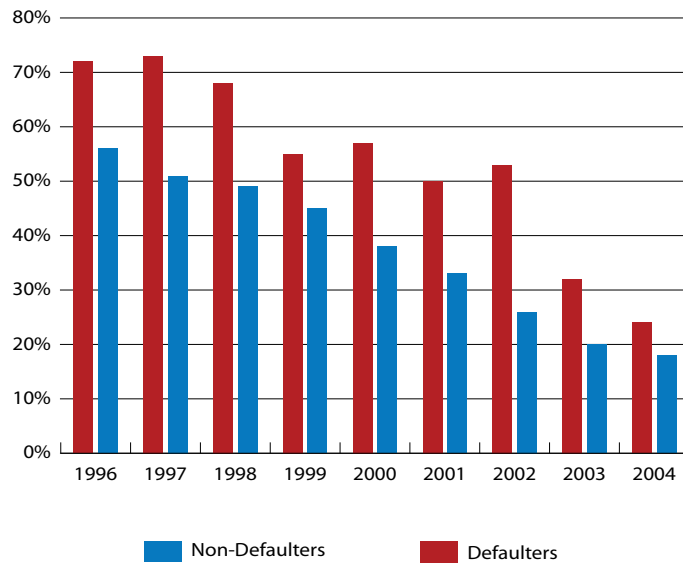
Percentage of UTPA students meeting Satisfactory Academic Progress (SAP)

Non-Defaulters   Defaulters

*Percentage of students who passed the math section of
the Texas Academic Skills Program (TASP)*

Non-Defaulters   Defaulters

Grade Point Average (GPA) of UTPA defaulters and non-defaulters by cohort year

Non-Defaulters   Defaulters
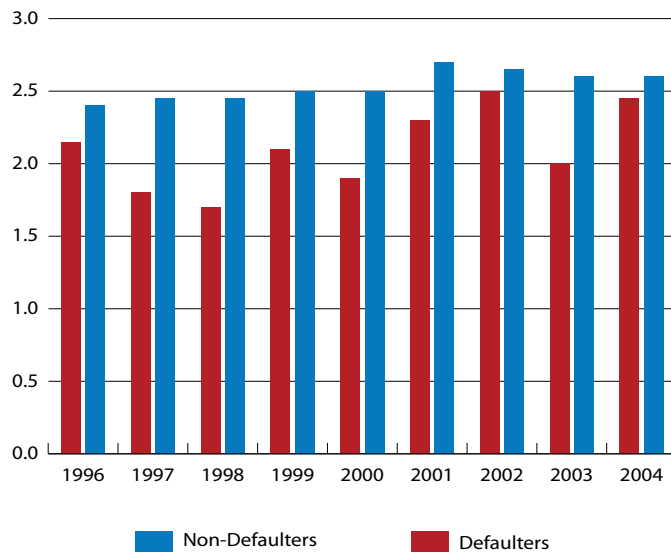
UTPA Graduation rate by cohort year
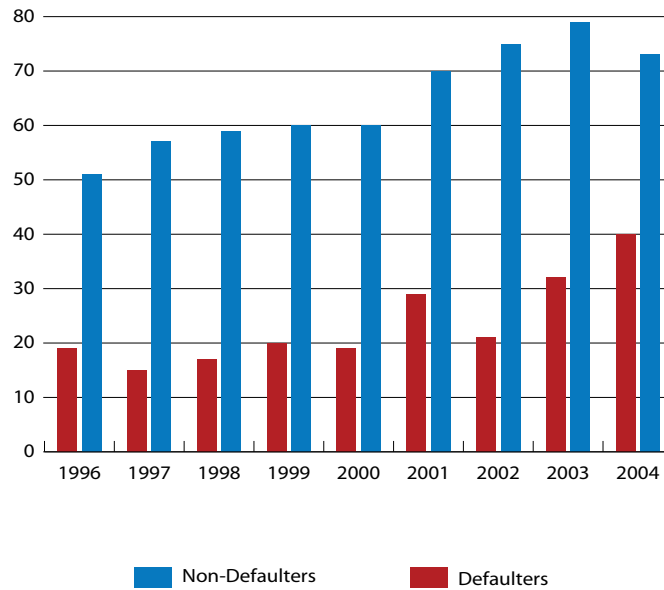
Findings:

- Freshmen have the largest loan default rate.
- Students who defaulted were not meeting satisfactory academic progress at the time they left UTPA.
- An average of 69 percent of the non-defaulters passed the math section of the state mandated assessment test, the Texas Academic Skills Program (TASP), as compared to 55 percent of the defaulters.
- The average GPA of defaulters was below the GPA of the non-defaulters.
- UTPA data indicated that 71 percent of freshmen with a GPA below 2.0 will not return after their first year.
- The 2005 UTPA cohort default rate was projected to decrease to 2.1 percent.

UTPA Phase 2: Recruiting students—start early with education

UTPA SEM goal:

Develop strategies to attract students who will succeed at UTPA and equip them to finance their success through financial aid early awareness programs delivered on- and off-campus.

UTPA action strategies:

Through collaboration and partnerships with community-wide associations and agencies, UTPA heightens awareness of college financing and loan default aversion in a wide array of settings. The following activities provide examples of UTPA's efforts to educate parents and students.

1. Connecting with the campus community

UTPA jointly developed and implemented strategies to improve relationships with students and their families to increase financial aid and loan default awareness. Activities included working with the recruitment office, counseling office, academic advisement office, migrant programs, Upward Bound/Trio Programs and Valley Outreach Center to conduct day and evening presentations on FAFSA (Free Application for Federal Student Aid) completion, financial aid programs, processing, and completion deadlines.

2. Partnering with external organizations

- Form partnerships with the servicing community to maximize information on student loans, money management, and debt counseling.
- Create partnerships with allied professional organizations to train high school counselors through regional Texas Association of Student Financial Aid Administrators (TASFAA) High School Counselor Workshops to heighten awareness of college financing and debt management.
- Encourage high school counselors to become active partners in providing student loan education.
- Create partnerships with local professional, civic, philanthropic and religious organizations to educate the community-at-large of the various facets of financial aid.

3. **Focusing on freshmen**

    Using information garnered from their statistical analyses, UTPA targets freshmen for financial aid and student loan education. To equip freshmen to focus on academics and campus involvement, UTPA uses three key strategies:

    - Reduce freshman overall debt and discourage borrowing in the freshman year by not packaging Stafford Loans in the student's initial award package. Note: loans are now being packaged for freshmen with higher ACT scores. These students are less prone to defaulting.
    - Maximize use of state grants in this effort. Note: TEXAS (Toward EXcellence Access and Success) Grant funding for new students continues to decline, increasing the need for students to resort to borrowing to help cover educational expenses.
    - Educate entering freshman cohort on all aspects of financial aid, and financial and debt management, through comprehensive presentations during New Student Orientation.

4. **Engaging all partners in promoting smart borrowing**

    By increasing its collaboration with multiple offices on-campus, UTPA is able to ensure early and ongoing college financing and loan default aversion information. UPTA's efforts include:

    - Providing one-on-one loan counseling to entering freshmen.
    - Requiring first-time freshman borrowers to meet with the default prevention officer prior to getting a loan.
    - Counseling all incoming students on their rights and responsibilities as student borrowers.
    - Informing all administrators, faculty, and staff of benefits accrued to the institution when students are encouraged to be cautious about accumulating debt.

5. **Adding outreach staff to the Office of Student Financial Services**

    By adding an outreach component to the Office of Student Financial Services, information about college financing, debt management, and financial literacy can be delivered to high school students and prospective students by knowledgeable staff. Key points include:

    - Educating students about the different forms of financial aid, and the difference between loans and other forms of aid.
    - Educating students about the importance of saving for education, and managing their funds wisely.
    - Showing students how to apply for different forms of financial aid, particularly federal and state programs.

UTPA Phase 3: Retaining students — Engaging cross-campus involvement

UTPA SEM goal:
To move students toward satisfactory academic progress and degree completion, through successful borrower education and decreased debt burden.

UTPA action strategies:

1. Maximize scholarship and gift aid.

UTPA leverages financial aid dollars to support retention through different awarding strategies. Two strategies have been selected to illustrate how student aid programs are used to support default aversion.

A. *College Work-Study improves graduation rates*.

Work-Study supports increased student retention. During the past four years, students participating in Work-Study had a higher retention rate than other students. The most recent graduation rate for students involved in Work-Study is at 46 percent compared to 29.6 percent for the general university population. By offering Work-Study as an alternative to student loans, UTPA enables students to borrow less and have fewer credit obligations, resulting in a reduced student debt burden and ultimately decreasing the cohort default rate.

Work-Study* in combination with gift aid increases student persistence and timely degree completion, connects the student to the campus community, and provides the following additional benefits:

- Opportunities for networking/connecting at UTPA
- Reduced need for student loans
- Flexible work hours compatible with students' class times
- Valuable work experience in a professional setting
- Faculty/staff serve as mentors for students

It is important to note that Work-Study wages do not have an adverse effect on the student need analysis.

Retention rates of UTPA entering freshmen versus Work-Study program freshmen, 1999 to 2005

Base Year	UTPA Entering Freshmen Retention Rate	Work-Study Program Entering Freshmen Retention Rate
1999	57.0%	71.86%
2000	54.9%	74.68%
2001	61.9%	79.69%
2002	64.5%	77.67%
2003	66.4%	79.34%
2004	68.0%	82.35%
2005	72.8%	78.72%

Six-year graduation rates of UTPA entering freshmen versus Work-Study program freshmen, 1994 to 1999

Base year	UTPA 6-year graduation rate	UTPA Work-Study 6-year graduation rate
Beginning Fall 1994	23.8%	45%
Beginning Fall 1995	23.3%	45%
Beginning Fall 1996	24.6%	53%
Beginning Fall 1997	26.4%	40%
Beginning Fall 1998	25.7%	48%
Beginning Fall 1999	29.6%	46%

B. *The TEXAS Grant reduces the probability of default.*

With the creation of the TEXAS Grant program in 1999, grant eligibility requirements have been leveraged as a default aversion strategy. In order to receive the grant, students must graduate from high school with an advanced academic program and show financial need on the FAFSA and remain eligible by continuing to meet satisfactory academic progress requirements.

Due to a high number of TEXAS Grant awards, the number of freshman loan borrowers was decreased, thus holding the highest-risk loan default group in check.

UTPA holds special workshops for TEXAS Grant recipients informing them of the requirements necessary to maintain the grant. This support function helps students to retain the grant, reducing or eliminating the need for loans. UTPA supports both wise borrowing and satisfactory academic progress by using its own packaging philosophy along with TEXAS Grant requirements.

When UTPA receives a large initial freshman TEXAS Grant allocation, it is less likely entering freshmen will borrow funds for their education. It is important to note that TEXAS Grant funding for new students has been declining, increasing the need for students to resort to borrowing to help cover educational expenses.

Comparison of freshmen borrowers to freshmen TEXAS Grant recipients
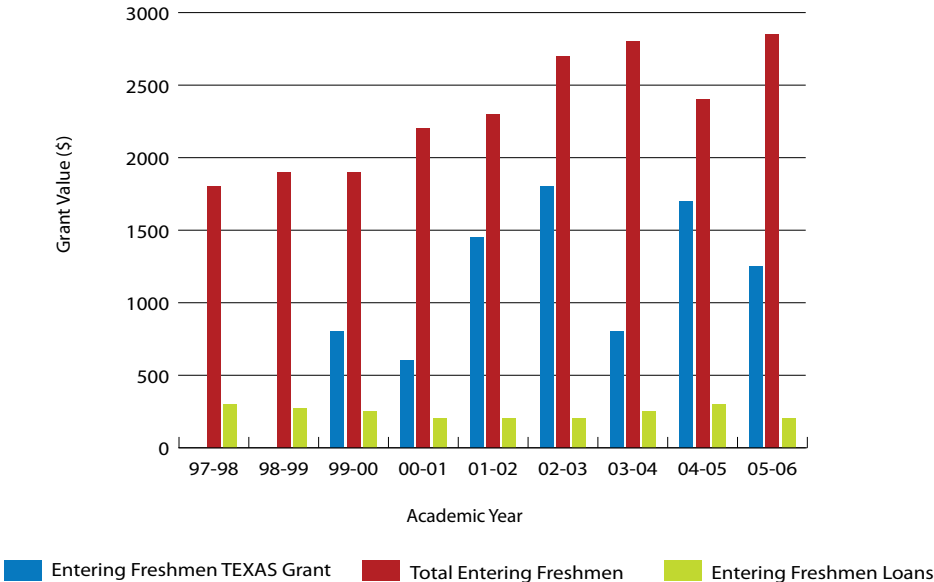
2. Strengthen curriculum, academic support, and student services.

UTPA engages the academic community in delivering default aversion information through classroom instruction and monitoring activities. Three examples follow:

A. *The UTPA Learning Communities Program*

This program segments the freshman student cohort to help them succeed academically, socially, and personally by fostering an enriched teaching and learning environment and thereby facilitating freshman success into the sophomore year. A "Freshman Success Course" was designed to increase academic and social integration through faculty and staff team-teaching. The goal is to expose entering students to research and theories on learning and motivation, and to help students gain a greater understanding of how to select a career path. The course has become part of UTPA's core curriculum.

B. *The UTPA Early Warning System*

This system requires early notification to freshmen and sophomores of academic performance in selected courses. Faculty complete customized progress reports and submit them to the University Retention and Advisement Program, addressing areas of specific academic concern. Direct mail campaigns are directed to at-risk students, encouraging them to visit with faculty and staff to address areas needed for academic improvement. Life management sessions, academic counseling, referrals, and other opportunities focused on strengthening identified areas of concern are also provided.

C. *The College Algebra Project (CAP)*

This project focuses on improving student success in college algebra classes. Classes meet four hours per week (instead of the usual three) and focus on group work, frequent evaluation, and increased interaction between students and professors. Since its inception, CAP has enrolled almost half (45 percent) of the UTPA's pool of college algebra students into the four-hour course while the other students (55 percent) took a regular three-hour course. When comparing the performance of the two groups of students, the four-hour initiative boasts promising results: 69 percent passed the four-hour course with an A, B, or C, as compared to a 44 percent pass rate in the three-hour course. Though CAP is showing considerable success at improving the pass rate of college algebra students, there is still a need for additional, alternative solutions that will benefit all students enrolling in all of the gatekeeper mathematics courses. Under a new Quality Enhancement Plan (QEP), the traditional method of delivering instruction to students in the gatekeeper math courses was revised to further increase the likelihood of student success without lowering the standards for passing each course.

The QEP format calls for modularized courses and instruction involving relational learning and discussion sessions where students are able to complete a modularized course over the duration of more than one semester, if more time is required.

D. Strengthen borrower education and default aversion

Entrance and exit loan counseling

- All students awarded loans must complete an online entrance counseling session annually, emphasizing borrower rights and responsibilities.
- All students awarded loans must complete an online exit session emphasizing borrower rights and responsibilities.

Excessive borrower counseling

- Excessive borrowers are required to attend one-on-one loan counseling sessions with the Default Prevention Officer, who emphasizes the expected repayment amount and projected salaries before authorizing additional financial aid.
- Students are provided contact information for their lenders and/or servicers.

Direct mail communication regarding possible loss of financial aid

- Students in danger of losing financial aid eligibility are notified by via direct mail campaigns of the potential loss of financial aid and are provided ways to avoid ineligibility.

UTPA Phase 4: Sustaining connections—Foster internal and external student relationships

UTPA SEM goals:

Sustain cross-campus partnerships and external relationships with the lending community to increase default aversion efforts for all students.

Sustaining relationships to ensure service and default aversion

Internal relationships and resources

1. *Build a default aversion team committed to maximizing default aversion efforts.*
   - Appoint a Default Prevention Officer to coordinate the default aversion efforts on campus. Assign responsibilities that include forming cross-campus relationships while conducting weekly/monthly reporting, providing comprehensive counseling services, overseeing student accounts, and synthesizing and conveying pertinent information to the campus community.
   - Appoint a part-time employee and a Work-Study student to assist the Default Prevention Officer in communicating with delinquent students. To ease student and parent communications, the part-time employee is required to be bilingual (English/Spanish).

2. *Assign responsibilities that empower the default prevention team to impact the cohort default rate.*
   - Counsel entering freshmen, delinquent, defaulted, and excessive borrowers.
   - Facilitate delinquent student contact with guaranty agencies, servicing entities, or the Department of Education, so that students can become current on loan repayment schedules through deferments or forbearances, thereby enabling student enrollment, transfer, or re-enrollment.
   - Open and sustain communication with students, on-campus departments, lenders, and servicers to monitor repayment and ensure compliance.

3. *Build cross-campus relationships.*
   - Foster cross-unit working relationships by joint program planning and delivery with the recruitment, counseling and academic advisement offices. These efforts encourage cross-training and maximize staff capacity.
   - Campus-wide support for the Work-Study program enables students to work, study, and receive mentoring from faculty and staff.
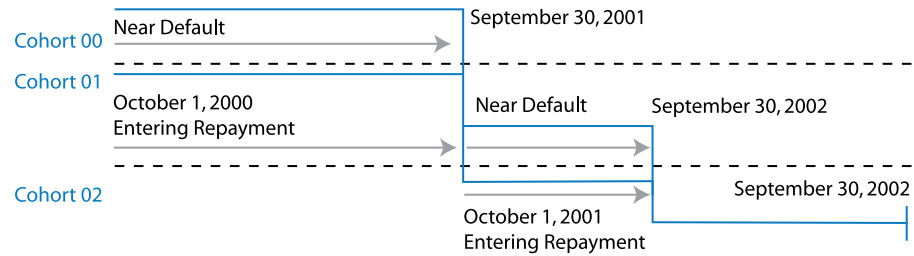
- Provide first-year experience programming for freshmen and transfer students by involving financial aid staff with the learning communities and University 101 courses. These opportunities provide opportunities to heighten awareness of student loan default aversion among faculty.
- The alumni association hosts campus-wide reunions and also works with departments and colleges to plan reunions of their former students. These reunions offer opportunities to connect with students that were student loan borrowers.
- The annual "Fiesta Pan Americana" auction and cocktail buffet supports the important goal of raising funds for alumni association scholarships, which are used to help current students.

External relationships and technology resources

Maximize the use of technology to impact student behaviors that significantly affect the cohort default rate.

- Establish working relationships with servicers and guarantor partners by using available technology resources helps support default aversion efforts.
- Loan tracker software creates initial lists of a student borrower population sorted by cohort year and delinquency status. Data is used to forecast the cohort default rate and inform lenders and servicers on their cohort default rates.
- Letter generating software produces letters to students from the institutions that detail the consequences of default and provide contact information on the servicer.
- Forbearance forms are included to facilitate student action via contact with the institution or the servicer.
- Call reports are generated in addition to the letters so that students on this list are called by the default prevention team and offered assistance in dealing with their delinquent loans.
- The weekly default prevention activity report received from TG provides information on processed deferments and forbearances, payments on delinquent loans, information on students who are 90, 159, and 210 days delinquent or have defaulted on their loan, and the names of students who have made payments on their loans. This data helps one focus on two cohort years simultaneously, as illustrated on the next page.

Focus on two cohort years simultaneously

Cohort 00	Near Default	September 30, 2001
Cohort 01		
	October 1, 2000 Entering Repayment	Near Default September 30, 2002
Cohort 02		September 30, 2002
		October 1, 2001 Entering Repayment

Practices to enhance relationships with external partners such as servicers, guaranty agencies, and the U.S. Department of Education.

- All major lenders and servicers receive at least a bi-monthly list of delinquent students who will impact the school's cohort default rate. Student lists are sorted by the expected date of default and divided by cohort year.
- Lenders and servicers receive a cohort default rate forecast from UTPA.
- Selected lenders and servicers provide UTPA with online viewing access to account information that facilitates student contact and allows communication based on real-time information.
- UTPA partners with guaranty agencies and servicers to augment their skip-tracing activities.

The University of the Incarnate Word
San Antonio, Texas

Photo courtesy of UIW Office of Printing Services and Graphic Design

A case study in default aversion within strategic enrollment management (SEM)

Case study: The University of the Incarnate Word, San Antonio, Texas
Maintaining default aversion practices within strategic enrollment management

University of the Incarnate Word (UIW) enrollment facts:

- The University of the Incarnate Word (UIW) was founded in 1881 by the Sisters of Charity of the Incarnate Word, and is an urban, Hispanic-Serving Institution located just north of downtown San Antonio, Texas.
- UIW is the fourth-largest private university and the largest Catholic university in Texas, with an enrollment of 6,007 students. Total enrollment in the mid-1990s was just over 2,800 students. Fall 2007 projections of full-time undergraduate students alone will exceed 3,100.
- UIW provides academic degrees in more than 70 undergraduate and graduate disciplines, including a doctorate in Pharmacy, and a Ph.D. program in the Dreeben School of Education.
- UIW is one of the fastest growing universities in Texas, public or private, according to the Independent Colleges and Universities of Texas (ICUT) and other sources.

UIW Phase 1: Identifying students—focus on targeted student populations

UIW utilizes both internal and external measurements, combining surveys, focus groups, and systematic reviews of enrollment and student progress data. In addition, the university reviews employment data trends for program opportunities for its students.

UIW data focuses on student demographics and variables that may impact student success. Many UIW students are minority, first-generation college students. The university continuously monitors data to help monitor programs and enrollments. In addition, the school utilizes the data to determine opportunities for program development. The collection of data allows the school to respond quickly to opportunities.

UIW has two offices — the Office of Assessment and Institutional Research — overseeing the data management. The Office of Assessment was created to handle ongoing Southern Association of Colleges and Schools (SACS) required assessments. The Institutional Research department deals mainly with external audiences.

The Assessment Committee has drafted an assessment time line and the institution research office assists with data distribution, collection and management. The Assessment Committee is chaired by the assistant to the vice president of academics and student affairs, and the committee is comprised of representatives of key administrative offices and faculty from various schools. In addition, each academic school has an assessment contact person.

The University Planning Committee, comprised of the president, vice presidents and other key administrators and faculty review the data assessment plans and distribute to appropriate departments.

The assessment chair meets with the university's assessment contacts to distribute and collect data from the individual schools. UIW stakeholders include all members of our community, starting with the UIW Board of Trustees, faculty, administrators, students, as well as the San Antonio and South Texas communities.

External assessments include the Student Success Inventory (SSI), the National Survey of Student Engagement (NSSE), Noel-Levitz, and PACE. Internal Assessments include first-year student assessments, course evaluations, senior exit surveys, student and faculty focus groups, annual program assessments and five year program reviews.

University assessments are reviewed by the Executive Council then distributed through academic and administrative departments. UIW systematically conducts workshops and forums to share data and discuss how to interpret the data and appropriate measures to respond to the data. In addition, each department is asked to review data points that relate to their initiatives. The data is integrated into annual reports and five year program reviews. The reviews are submitted to the appropriate vice president and the Assessment Committee. The Assessment Committee reviews the data trends and the relationship of data shifts and university initiatives.

Selected data points

Fall UIW Enrollment (All Campuses), by student level, 1997-2006

Semester	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
Undergraduate	2,659	2,899	2,905	3,003	3,519	3,522	3,665	4,022	4,370	4,666
Graduate	653	684	732	699	764	742	769	778	847	953
Total Enrolled	**3,312**	**3,583**	**3,637**	**3,702**	**4,283**	**4,264**	**4,434**	**4,800**	**5,217**	**5,619**

Main Campus Undergraduate Enrollment, 2004-2007

	2004	2005	2006	2007
First Year	476	575	614	700*
Total Undergraduate Enrollment	2,189	2,403	2,617	2,846*

*projected data prior to publication

*Percentage distribution of UIW students, by race/ethnicity, 2006-07*

Race/Ethnicity	Percent
Hispanic	57%
White, non-Hispanic	23.5%
Black, non-Hispanic	6.5%
Non-resident alien	3.7%
Asian/Pacific Islander	2.3%
Am. Indian/Alaskan	.54%
Ethnicity Unknown	6.4%

UIW student enrollment by county, 2002-2006

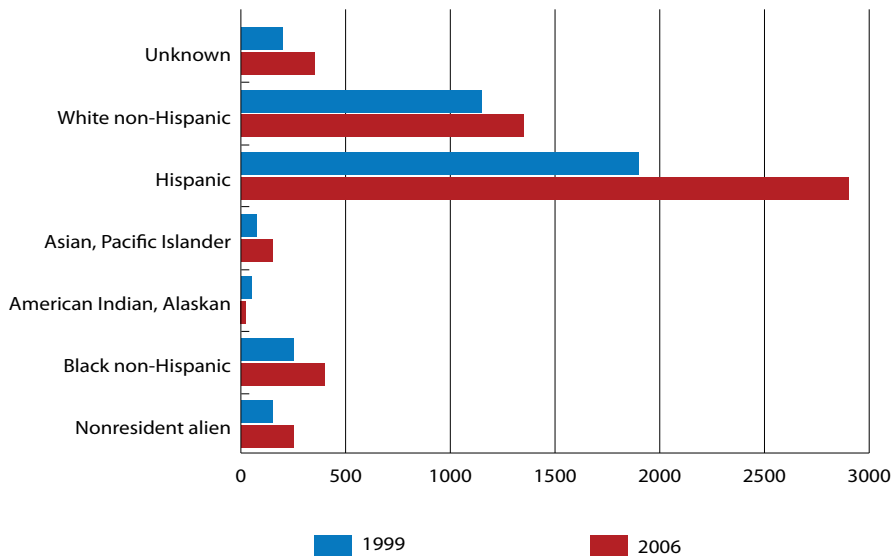| County	2002	2003	2004	2005	2006
Bexar	67%	67%	69%	68%	68%
Nueces	4%	4%	3%	3%	3%
Guadalupe	2%	2%	3%	3%	3%
Harris	1%	1%	1%	1%	1%
Total	**74%**	**74%**	**76%**	**75%**	**75%**

Source: Based on Integrated Postsecondary Education Data Systems (IPEDS) enrollment for ICUT Geographical Breakdown of Enrollment Reports 2002-2006. Selected Bexar (San Antonio and surrounding area) along with top three other enrolled Texas counties.

Admission, enrollment, and yield of UIW first-year students

Legend:
- Total admitted students
- Total enrolled students
- Yield Rate
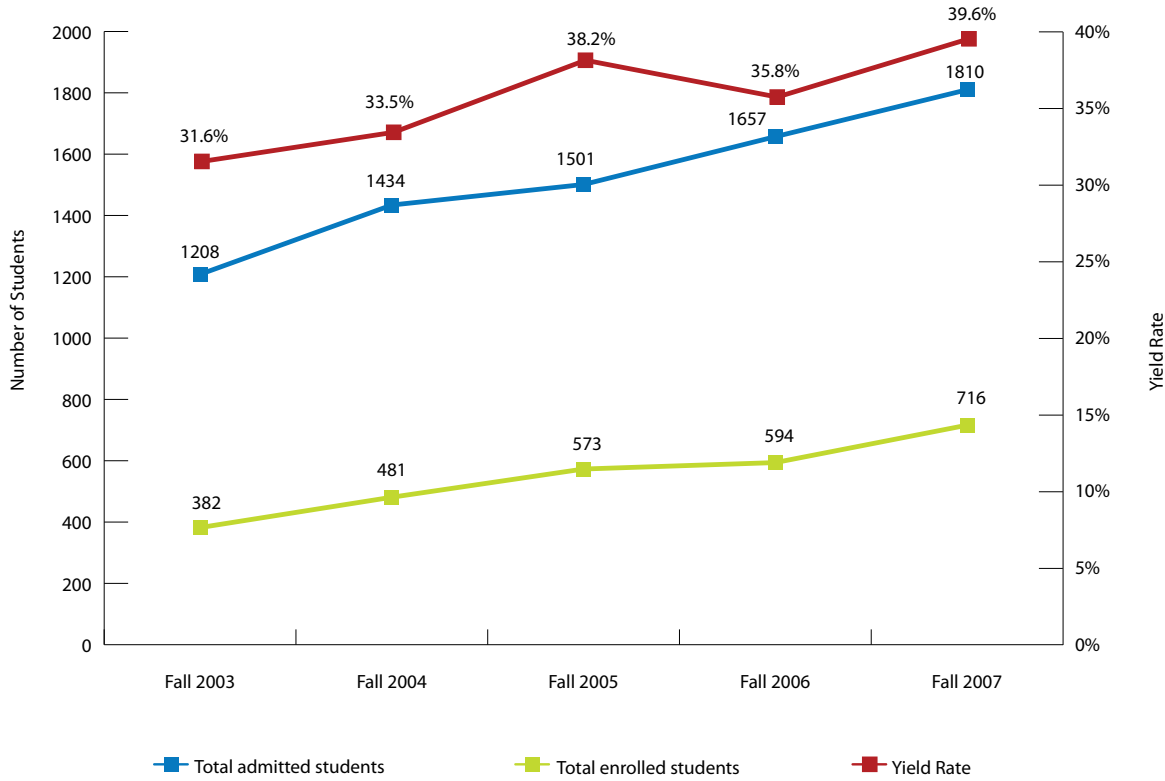
Source: Noel-Levitz, Inc.

Change in UIW enrollment distribution, by race/ethnicity

Legend:
- 1999
- 2006

The default rate at UIW compared to other local schools, 1999-2004

School	1999	2000	2001	2002	2003	2004
UIW	**5.6**	**4.2**	**3.0**	**2.9**	**2.5**	**3.4**
UT-San Antonio (UTSA)	5.9	6.6	6.0	5.9	3.2	5.6
Our Lady of the Lake (OLLU)	5.1	4.9	6.2	4.9	4.0	4.1
St. Mary's University	2.3	4.1	3.1	2.8	2.8	3.0

Median TG borrower indebtedness, FY 2003-2005

School	Borrowers leaving in FY 03	Borrowers leaving in FY 04	Borrowers leaving in FY 05
UIW	**18,750**	**19,750**	**18,934**
UTSA	14,313	15,125	15,732
OLLU	27,988	25,250	24,602
St. Mary's	11,231	13,013	15,906

Retention of University of the Incarnate Word freshman cohorts, 2004-2007

	2004	2005	2006	2007
Retention	69%	64%	66%	68%*

*preliminary data

Fall 2003 cohort of first-time, first-year University of the Incarnate Word students, 2003-2006

Year	Semester	% Retained	Numbers
Year #1	Fall 2003	-	395
Year #2	Fall 2004	68%	269
Year #3	Fall 2005	55%	217
Year #4	Fall 2006	47%	186

Six-year and fall-to-fall retention rates of University of the Incarnate Word students, various cohort years

Cohort	Six-Year Retention Rate	First-time Freshmen Cohorts	Fall-to-Fall Retention Rate
1997 – 2003	40%	2002-2003	66%
1998 – 2004	43%	2003-2004	71%
1999 – 2005	35%	2004-2005	64%
2000 - 2006	44%	2005-2006	66%

Retention of first-year University of the Incarnate Word students: 2004 -2007

	2003	**2004**	**2005**	**2006**	**2007**
First Year	395	476	575	614	700*
Retained	--	273	303	378	417*

*projected data prior to publication

UIW Phase 2: Recruiting students—Start early with education

UIW SEM goals:

The recruitment goals of the University of the Incarnate Word are multiple. UIW offers a wide spectrum of programs that attract students at various stages of academic need and progress. In the traditional undergraduate program, the UIW goal is to recruit and enroll 700 first-time freshmen and 350 transfer students, and to maintain an overall undergraduate enrollment of 3,000 students. In addition, UIW attempts to shape the undergraduate population toward those students who are most likely to be academic successful at UIW. UIW enrolls approximately 1,000 undergraduates in the Adult Degree Completion Program, a 12-year-old evening program. The enrollment is largely comprised of working adults, who for the most part live in and around San Antonio. There are an additional 600 undergraduate students enrolled in on-line classes. These students are generally working adults who may or may not live in San Antonio. The UIW entire undergraduate population is nearing 5,000. Additionally, there are approximately 1,000 graduate, doctoral and professional students (Pharmacy School), which brings overall enrollment at UIW closer to 6,000 students. The UIW SEM goals are focused on increasing enrollment in the areas where there exists both space and room for growth: graduate, adult, and evening students.

The primary UIW demographic is South Texas, specifically San Antonio and the Rio Grande Valley. Secondary markets include other cities in Texas such as El Paso, Houston, Dallas, Corpus Christi, and Austin. The mission of the UIW founding congregation, the Sisters of Charity of the Incarnate Word, is to serve families from this area of the country. UIW provides a faith-based higher education opportunity to minority students, specifically Hispanic students who comprise approximately 65 percent of the student population. UIW works closely with the San Antonio Education Partnership (SAEP) program, an organization that coordinates efforts of business, government, and education in providing opportunities to students from designated high schools in San Antonio. UIW has also worked at creating alternative educational opportunities for the extensive adult population of this area that have not completed an undergraduate degree.

Information

Prospective students begin receiving information from UIW as early as their junior year and on a continuous basis throughout the recruitment cycle. Students receive a range of information, from general (admissions view book) to specific (academic program they are interested in). Students receive application and admission information, financial aid information, career and outcomes information, invitations to campus events, such as open houses, scholarship receptions, campus visit days, overnight programs, and new student orientations. UIW implements an extensive written and electronic communication plan, as well as using the Web, instant messaging, and tele-counseling as means for providing information to both students and parents. Last year, a special parent's brochure was designed and distributed. New Student Orientation also includes specific programming for parents.

The following offices provide information to students during the recruitment and enrollment process — Admissions, Financial Aid, Academic Deans, First-Year Engagement, University Advising Center, Residence Life, Student Activities, Business Office, Registrar's Office, Athletic Office, and International Studies.

Collaboration

Cross-campus collaboration is an important part of the UIW recruiting process and stretches from the first on-campus tours and meetings through New Student Orientation. Campus events such as open houses and campus visit days, guidance counselor breakfasts, and scholarship receptions are all events where the entire campus is represented. The orientation events of the summer are planned under the direction of the Office of Admissions and brings together representatives from each office and department, including individual schools, residence life, and financial aid.

Recruitment and admissions strategies

UIW is innovative about bringing on programs that are attractive to students. This flexibility is facilitated by its size and independence. These factors also allow UIW to initiate new programs in a relatively short period of time. The decision to start a Pharmacy School in order to meet the growing need for pharmacists in South Texas is an example of the short timeline experienced from studying feasibility to now seating its second class. UIW is currently exploring a School of Optometry. Each of these professional schools will increase the undergraduate enrollment in sciences.

The decision to begin a football program has generated excitement and it is expected to increase the undergraduate enrollment in a variety of degree programs. An honors program, a summer science program, and an accelerated bachelor's to master's programs are all initiatives believed

will strengthen the caliber of UIW students. UIW also applied predictive modeling and financial aid leveraging to the recruitment efforts, and it continues to look at the educational needs of its demographic to study how it can best meet their needs.

UIW has recently hired a Dean of Student Success to bring together all of the academic service programs instrumental in increasing retention: advising, tutoring, first-year engagement office, etc. Collaboration between offices and individuals tasked with student recruitment and retention will increase when the university transitions to a new Student Services and Enrollment Management Division, which will allow UIW to better identify, recruit, and enroll students who persist to graduation.

Lessons learned

UIW has learned the importance of including various departments, ranging from academic to administrative offices in these discussions. It is imperative that all stakeholders are involved in the decision-making process. Other lessons learned include the importance of shaping incoming classes to match the mission and resources of the University and the importance of data mining and integrating various data sources to understand growth and retention patterns.

UIW Phase 3: Retaining students — Engage cross-campus involvement

UIW SEM goal:

The UIW goal for student retention is 75 percent by 2010.

UIW SEM strategies:

The major strategy at UIW for retention is a focus on student engagement. The QEP team conducted extensive literature reviews and studied the data that supports the relationship of student engagement and retention. UIW has implemented university-wide initiatives on engagement, including the establishment of a First-Year Engagement Office, faculty development on active and collaborative learning, and the integration of campus life and academic initiatives.

UIW has a large commuter population, therefore activities have centered on classroom-based strategies. The First-Year Engagement Office centers the communication point for first year students to minimize the high risk of first-year students dropping out. UIW has formed a faculty cohort called "FIRST for Students," which actively discusses student outcomes dealing with retention and persistence. This has allowed for discussion across the curriculum. The FIRST faculty teach courses identified as Target Core Courses. UIW attempts to place all first-year students in at least four of these courses during their first year in college.

These strategies were developed by task forces comprised of faculty, students, and administrators from all areas of the campus.

Measuring success

UIW measures success by evaluating retention rates, academic progress, increases in the number of students who successfully persist to graduation, and the default rate for borrowers. UIW has had large increases in enrollment, and although the retention rate has increased slowly, the numbers of retained students has reflected the efforts of a remarkable university collaborative to effectively meet the growth needs and serve the students of South Texas.

The Office of Financial Assistance (OFA) at UIW is beginning to see several trends that are causing concern and are prompting new discussions to address these developments. One trend observed is that UIW students are hitting their aggregate Stafford limits prior to graduation, resulting in a dependence on alternative loans. Private loan volume has increased, and consequently UIW has

made efforts to advise students to select other options prior to working with private loans. Students are packaged with federal and state options, however many still opt for private loans. UIW ensures that students are contacted at the time of certification requests just to be sure they are aware of their interest rates and other options.

With recent changes in legislation, private lenders have become more aggressive with direct consumer marketing. Among the loans they are promoting are loans that do not require the approval of the OFA. UIW has begun sending messages to students and contacting them if they are participating in these programs. The OFA is brainstorming ways to contact students across the campus to raise awareness about the dangers of borrowing these high interest loans.

Lessons learned

The most important lesson learned is that it is important to centralize all retention efforts. UIW has developed many effective programs throughout the institution via various key offices, faculty, and administrators, all of whom are working on program development and assessment. It was realized that there sometimes exists an overlap of resources and initiatives as well as a delay in communication. Therefore, UIW recently formed a Student Success Department with the Dean of Student Success assuming responsibility for managing the collaborative efforts toward retention. In addition, UIW is planning other organizational changes to increase the focus on enrollment management. The university recognizes that large enrollment increases require very strategic growth plans.

In addressing the critical area of cost for students, UIW is keeping the cost of attendance reasonable so students borrow only what they need. The university utilizes the services of Horizon, a third-party company, to help contact borrowers once they leave the institution in order to keep them in deferment or repayment. UIW follows the federal requirement for loan counseling and manages the process on-line so it is convenient to students. Finally, UIW hosts money management workshops, loan workshops for families, meets with senior classes to talk about repayment, hosts financial aid fairs, has a resource center that offers written materials about default aversion, and hosts graduation workshops.

Potential solutions in development

Conversations with faculty and administration

It has been determined that the OFA needs to create additional training opportunities and provide materials for First-Year Engagement, faculty, the Advising Office, and the Registrar's Office. These areas assist students with managing appropriate course loads and scheduling requirements. UIW finds that if students are not doing well in a course, they often elect to drop and may not explore additional options. When students do drop courses, they often still pay for those classes even though they will not receive academic credit, further adding to aggregate loan debt. Likewise, state and federal legislation for grants now looks at GPA and completion rates. Students that drop courses become ineligible for gift aid because they may not complete a full-time course load, but are still increasing their loan debt.

Reaching students

 The OFA hosts workshops, provides a Resource Center, prints materials, and promotes awareness online about financial aid. However, UIW continues to receive feedback about how students are unable to attend or are not interested in reading what is sent to them. UIW is currently exploring the creation of online or CD/DVD-based video workshops for students to watch in a convenient manner. These workshops would be accessible for students at the recruitment, retention, and graduation phases so that students have the information they need at each critical stage.

Financial aid in coursework

UIW does not have a required freshman seminar course for all first-year students. However, the University of the Incarnate Word has identified specific goals for first-year students which are designed to help students transition to college and achieve academic success. These goals have been intentionally integrated as outcomes and experiences into first-year courses identified as First-Year (FY) Target Core Courses. First-year students at the University of the Incarnate Word are expected to take a minimum of four of these courses during their first two semesters at the university.

Goals for First Year target core courses

First-year students at the University of the Incarnate Word are expected to take a minimum of four of these courses during their first two semesters at the University. Students should consult their academic advisor on which courses are appropriate for their field of study. Goals for the Office of Financial Aid include:

- Students become familiar with the culture of higher education.
- Students comprehend and appreciate academic expectations.

- Students know the UIW mission.
- Students are involved in intellectually and creatively challenging course work.
- Students are active and collaborate with others in their learning.
- Students engage in enriching educational experiences.
- Students interact with faculty members outside of the classroom.
- Students are aware of and participate in extracurricular activities.

The OFA is discussing how to integrate information on financial aid and money management into the transition process. In addition, the First-Year Engagement office works with the OFA to sponsor workshops with first-year students on financial aid, loans, and overall financial management. In addition, the administration is discussing implementing exit workshops for graduating seniors with the possibility that each school would host a session for graduating seniors that would give information about loan forgiveness, deferments, consolidation, and general ideas about what to expect once they graduate.

Raising awareness about borrowing responsibly

Along with the current and proposed strategies to raise awareness about borrowing and financial assistance, UIW is working to create a campus-wide program that fits in with other current initiatives. For example, UIW used TG's "Get In, Get Out'" posters and bookmarks to encourage students to maintain progress and graduate within the minimum time frame.

In an effort to encourage students to maintain full-time enrollment, the university offers discounts on summer coursework for students who are completing full-time enrollment for the fall and spring. Encouraging full-time completion allows students to participate in the renewal of some state and federal programs, aiding both retention and default aversion.

The OFA is also looking at creating campaigns to make sure students understand that having a tight budget now may allow them greater freedoms upon graduation. The theme of "Live like a student now, or live like a student later…" is used to provide examples of how budgeting now without borrowing excessively will make a difference in the repayment phase.

The future goals of UIW are to continue to increase the campus culture of collaboration and success and develop external relationships, and continue to develop student engagement initiatives involving additional offices, administration, and faculty on campus.

Acknowledgements

TG and the Council for the Management of Educational Finance would like to thank the Educational Policy Institute (EPI), and specifically Dr. Scott Swail, for their work in preparing this second addition of "*A Clear and Present Danger to Institutional and Student Success: A training model for embedding student loan default aversion within strategic enrollment management.*" EPI has also collaborated with TG in producing two additional publications: "Effective Practices in Student Success (EPSS): A Database for Practitioners – EPSS Overview and Guidelines" and "Engaging Faculty and Staff: An Imperative for Fostering Retention, Advising, and Smart Borrowing."

The Council also extends its sincere thanks to Elaine Rivera, Executive Director Student Financial Services, University of Texas-Pan American, Edinburg, Texas, and to Sandy McMakin, Dean, Student Success, University of the Incarnate Word, San Antonio, Texas. Ms. Rivera and Ms. McMakin were instrumental in providing information, data, and insights for the case studies included in this publication.

About TG

TG is a public, nonprofit corporation that administers the Federal Family Education Loan Program (FFELP), a federal government-sponsored program of low-interest loans to help families and students pay for education beyond high school.

As a FFELP administrator, TG does not issue loans but guarantees loans. Much like securing an insurance policy for a home, guaranteeing a student loan protects the lender from possible loss if a borrower fails to or is unable to repay the loan. Because of the backing student loans guarantees provide, lenders more readily issue loans to borrowers for higher education.

For more information about TG, visit www.tgslc.org.

About the Council for the Management of Educational Finance

Established in 1997, the Council for the Management of Educational Finance is a consortium of higher education professionals whose objective is to develop default aversion and debt management initiatives which promote success in higher education.

About the Educational Policy Institute (EPI)

The Educational Policy Institute, Inc., (EPI) is an international organization dedicated to the study of educational opportunity.

As a collective association of researchers and policy analysts from around the world, EPI is dedicated to the mission of enhancing our knowledge of critical barriers facing students and families throughout the educational pipeline. In addition, EPI has developed extensive partnerships and collaborative arrangements with other leading research and educational organizations, further supporting our mission and ability to conduct policy-relevant research for practical use.

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Other research publications available through TG

- *Ready, Willing, and Unable: How Financial Aid Barriers Obstruct Bachelor Degree Attainment in Texas*
- *Engaging Faculty and Staff: An Imperative for Fostering Retention, Advising, and Smart Borrowing*
- *Enrollment Management Journal: Student Access, Finance, and Success in Higher Education*
- *The Way the Future Was : And Education Forum Involving Stakeholders in Nebraska*

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