What Students and Parents Need: Early Information about Paying for College

A Pilot Research Project by

College Board and
College Foundation of North Carolina

2012 CFED Assets Learning Conference
September 20, 2012
Steven Brooks, Executive Director
NC State Education Assistance Authority
Background

• Rethinking Student Aid recommendations
  – Simpler, more transparent aid system
  – More predictable aid system
  – Early communication with families and students

• Pilot Program in North Carolina
  – Experimental research
  – Determine impact of clear simple information to low-income middle school parents
Research Overview

Target population:
• Parents of children in grades 6-8
• With household incomes of $30,000 or less

Target sample size:
• 250 completed interviews in each group – test and control

Test / control design:
• Test group was screened for qualification and pre-recruited to agree to participate, mailed a brochure and cover letter, and interviewed after stating that they had looked over the material.
• Control group was screened for qualification and interviewed in a single call

Material Tested:
• The brochure, envelope, and cover letter were tested in focus groups and individual in-depth telephone interviews prior to finalizing the materials. Insights from these sessions were used to refine the materials prior to publication.
The Message: College Is Affordable

• Easy to understand message repeated throughout
  – Envelope
  – Cover letter
  – Brochure

• Co-branded by trusted sources
  – College Board
  – College Foundation of North Carolina

• Specific information about prices and eligibility for grants and scholarships at four well-known example institutions
College Is Affordable

The benefits of a college education are within reach for your child
cfnc.org/edpays

La universidad es accesible

Los beneficios de una educación universitaria están al alcance de sus hijos
cfnc.org/edpays
FIVE ED WAYS PAYS

A college degree can transform your child’s life in five important ways.

We all want the best for our children. Talking to them about staying in school and aiming for college is a good way to help them achieve it.

Each extra year that your child stays in school will lead to higher earnings. And for most students who go to college, the increase in their lifetime earnings is far greater than the cost of their education.

But greater wealth is not the only positive outcome of a college education. College provides a path to an overall fuller life.

There are actually five ways that a college education pays:
1. More security
2. Better health
3. Closer family
4. Stronger community
5. Greater wealth

That’s why we want to show you that your family really can afford your child’s college education.

How do families like yours afford college?

College is affordable because of what is known as financial aid. Offered by the federal and state governments, the college and other sources, it is available to everyone who needs it. Financial aid can drastically reduce the cost of college, even covering the entire cost of tuition and fees. Financial aid can also make paying for any small costs you may have to cover much easier to manage.

It is important for you to know that most students pay far less than the high prices you hear about in the news. So nobody should ever rule out going to college based just on published prices.

There are three types of financial aid that let you reduce and manage the cost of a college education.

Reduce the cost of college.

1. Grants and scholarships are “free” money that you don’t repay. They make the real price you pay for college much lower. Most are based on your family income, not on your child’s grades or athletic ability. They come from the federal or state government, the college itself, or private organizations.

Manage the cost of college.

2. Part-time work-study jobs on campus or in the community provide good wages and flexible work hours that will fit into your child’s class schedule.

3. Student loans must be repaid, but not until your child graduates from college and is working. The federal government funds most student loans.
Think college costs too much? Think again.

The amount you will have to pay for college will be based on your family’s income. You will find out exactly what it will cost when your child is a senior in high school. At that time, you and your child can fill out the FAFSA application for financial aid.

- In general, families who make less than $30,000 per year qualify for a lot of grants and scholarships based on family income. Those families pay very little for college.
- Families with higher incomes have to pay a share of the college costs, but most still qualify for financial aid to reduce those costs to amounts they can afford.

If you find there are some small costs you need to cover, you and your child can look at other types of financial aid, like part-time work-study, to make those costs easier to manage.

If your family income is $30,000 or less, your actual cost for tuition and fees would be ZERO at many North Carolina colleges!

<table>
<thead>
<tr>
<th>FOR THE 2011-2012 SCHOOL YEAR</th>
<th>NORTH CAROLINA COMMUNITY COLLEGE</th>
<th>UNC AT CHAPEL HILL</th>
<th>N.C. A&amp;T</th>
<th>DUKE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cost of tuition and fees</td>
<td>$2,100</td>
<td>$7,008</td>
<td>$4,618</td>
<td>$42,410</td>
</tr>
<tr>
<td>Amount you would receive in grants and scholarships</td>
<td>$2,100</td>
<td>$7,008</td>
<td>$4,618</td>
<td>$42,410</td>
</tr>
<tr>
<td>Your total costs for tuition and fees</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
</tr>
</tbody>
</table>

Your child can also receive grants and scholarships to help reduce the cost of living expenses and textbooks.

<table>
<thead>
<tr>
<th></th>
<th>NORTH CAROLINA COMMUNITY COLLEGE</th>
<th>UNC AT CHAPEL HILL</th>
<th>N.C. A&amp;T</th>
<th>DUKE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Additional grants and scholarships for books and living expenses</td>
<td>$3,400</td>
<td>$10,052</td>
<td>$4,454</td>
<td>$10,070</td>
</tr>
</tbody>
</table>

There's a college that's right for your child!

Community colleges

Community colleges have two kinds of programs. One type offers diplomas and certificates that can be earned in six months to two years. These show that the student has a set of skills for a job such as auto mechanics or medical technology. The other type of program offered by community colleges is for a two-year associate degree. These programs prepare students for a career, such as a dental technician or a teacher’s assistant. They also prepare students for continuing their education. Many students now spend two years in an associate degree program before moving on to a four-year college.

North Carolina has 58 public community colleges with campuses near every county. Tuition and fees are very low at these schools.

Four-year colleges and universities

Four-year colleges and universities offer undergraduate degrees, which are also called bachelor’s degrees. Students select a major in which to focus their studies and prepare for a career. Some examples of majors are history, engineering, biology, computer science and business. Students going to these four-year colleges may get a job after graduation in careers like teaching, nursing or technology. Or they might go on to a graduate school to get an advanced degree in such fields as medicine or law.

North Carolina has 16 public universities that are part of the University of North Carolina. Examples are N.C. State, East Carolina, N.C. A&T, and UNC at Pembroke. The State of North Carolina provides funds to these schools to keep costs low for students and their families.

North Carolina has 37 private nonprofit colleges and universities

Examples are Elon University, Bennett College for Women, Campbell University and Duke University. Published prices for tuition and fees are higher at private colleges. However, they are often more affordable than public colleges because they can give more financial aid to their students.

cfnc.org/adpays | 1-888-986-CFNC (2362)
The “Money” Piece was key

• Distinguished tuition/fees and other expenses
• Showed a net of ZERO tuition and fees
• Followed with additional grant aid these students would receive for books and living expenses
• Based the information on each institution’s net price calculator and confirmed in conversation with the financial aid offices involved
Findings: *Areas we did not see impact*

- Knowledge of and positive attitudes toward postsecondary education are widespread throughout the low-income population of North Carolina.
  - The brochure’s impact was negligible in changing attitudes about the importance of education beyond high school because the control group’s positive attitudes were so high that there was little room for increase.
- Low-income parents are generally aware of the financial aid system and how it works.
- Low-income parents understand that a college education provides benefits in addition to higher income.
- College is understood to be broadly accessible (not just for top students, geographically widespread).

*Infinia believes this is because of the work of CFNC and thus may be different in other states*
Key Findings: \textit{Areas we found impact}

- \textit{Knowledge of college costs: } \textbf{+13 points}
  - Only 59\% of control group respondents but 72\% of test group respondents said they actually knew how much it costs to attend college in North Carolina.

- \textit{Understanding that many students pay far less than published prices: } \textbf{+22 points}
  - 65\% of test group respondents and only 43\% of control group respondents agreed with the statement that most students pay far less than the prices colleges publish.

- \textit{Recognition that for low-income families in North Carolina, parents pay $0 for tuition at many in-state colleges: } \textbf{+24 points}
  - 68\% of test group parents and 44\% of control group parents agreed with the statement that college tuition and fees are free at many colleges for families with incomes less than $30,000.
Colleges hire students in part-time work-study jobs to help the students earn money to pay for their education

Student loans must be repaid, but not until the student graduates from college and is working

Families with less income get more financial aid, especially the kind that does not need to be repaid

Private four-year colleges may be more affordable than the public ones, because they can give more financial aid to students

For North Carolina families with incomes of less than $30,000 per year, college tuition and fees are free at many colleges

Most students pay far less than the costs colleges publish

Q20 I have a few more statements about college now. I’ll ask if you agree strongly, agree only somewhat, disagree strongly, or disagree only somewhat. (% agree strongly / somewhat)

Total base
Lessons Learned

• Credibility is key – CFNC and College Board were seen as valid, trusted sources of information
• Find local gaps in knowledge and tell them what they don’t know (not what they do)
• Get beyond the headlines and be very specific and personal – help them see themselves in the data (case studies)
• Keep all charts and text simple and clear
• Repetition could be key
Next Steps in North Carolina

1. Meet with middle school counselors and principals to disseminate findings and materials

2. Based on the study, there is an opportunity for CFNC to enhance their website by:
   • Providing more information about paying for college for families from different income levels.
   • Reemphasize the $0 cost for those eligible
   • Elaborate and be more specific on a parent “to do” check list

3. Promote the study and the findings
   • Produce an op-ed signed by NC higher ed system heads
   • Work with NC press to publish findings