

# Student Financial Stability Demystified

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NCII regularly fields questions and concerns from educators grappling with how to support students' financial stability. These issues have only intensified in frequency and relevance as colleges look to this strategy to meaningfully increase access and success for disproportionately impacted groups.

This resource demystifies top concerns about student financial stability and helps you advocate for this equity strategy at your own broad-access institution.

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# Part 1. Introducing Student Financial Stability

## Understanding Student Financial Stability

While everyone in higher education knows about financial aid, *student financial stability* is an emerging concept. Colleges that foster student financial stability work to ensure that students are financially secure across their higher education journey, through both financial aid and other sources (e.g., public benefits, community resources, and emergency grants). These institutions are intentional about helping students who are experiencing financial instability:

- ▶ Cover college costs, such as tuition, books, supplies, materials, and fees.
- ▶ Address basic needs, including housing, food, childcare, technology, transportation, health care, mental health, and utilities.
- ▶ Make informed choices about their education and career so their decisions improve their economic and social mobility.

Student financial stability is part of a broader effort to provide holistic support throughout each student's college experience so they can focus on attaining their academic and career goals. Students who have the financial assistance they need, when they need it, are better able to focus on engagement, learning, and completion.

## Acting on Student Financial Stability to Help Students and Colleges

Student financial stability is both a moral and a practical imperative. Addressing it not only helps students, but also it benefits your college in multiple ways. Acting on student financial stability provides:

- ▶ **Educational benefits.** Students cannot be expected to succeed in college if they are experiencing basic needs insecurity or struggling to make a tuition payment. If your college knows about and helps students address these financial issues via an expanded suite of supports, it better positions students to focus on their coursework.
- ▶ **Equity benefits.** Students who historically have been marginalized — students of color, low-income students, and first-generation students — are more likely to experience financial insecurity. Acting on student financial stability can help your college close institutional performance gaps.
- ▶ **Retention and return on investment (ROI) benefits.** When students are financially secure, they are more likely to stay in college. Promoting student financial stability can increase retention and completion rates and generate a positive ROI.

## ABOUT THIS GUIDE

This two-part guide:

1. Introduces the concept of student financial stability and NCII's approach to helping broad-access colleges take an institutional approach to addressing it in the student experience.
2. Demystifies top concerns about the college's role and responsibility in supporting student financial stability as well as perceptions about students experiencing financial insecurity.

This guide is not comprehensive, and there are no "right" answers. Rather, we offer it as a resource to advance conversations about student financial stability, as both an educational and equity priority.

Find additional resources for institutional student financial stability efforts — including *Student Financial Stability Scale of Adoption Self-Assessment* and *What Does Student Financial Stability Look Like in the Student Experience?* — at [ncii-improve.com/student-financial-stability](https://ncii-improve.com/student-financial-stability).

## Recognizing A Growing Need

The COVID-19 pandemic intensified a crisis that has been brewing in higher education for years. Well before the Coronavirus struck, a number of organizations, including [The Hope Center for College, Community, and Justice](https://hope4college.com/)<sup>1</sup> and [United for ALICE](https://www.unitedforalice.org/),<sup>2</sup> were highlighting the growing number of students reporting financial insecurity. The pandemic took a troubling situation and made it catastrophic.

In The Hope Center's national spring 2021 report, three in five students reported basic needs insecurity and more than a third exhibited at least moderate anxiety. About four in five community college students reported they were struggling to concentrate in school.

Moreover, students from historically underserved and marginalized communities are feeling the greatest economic hardship as the pandemic evolves, further exacerbating the problem. Nationally, those most affected include students of color, first-generation students, parents and other caregivers, and foster youth. That said, the students experiencing the greatest financial instability at your college may include other groups, and the needs of students in rural communities may differ from those in urban or suburban settings. Know your students and their top needs — and know that even when the national economic picture improves, marginalized communities will continue to feel the pandemic's impact.

### THE IMPACT OF COVID-19

**3 in 5**  
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MORE THAN  
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**4 in 5**  
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were struggling to  
concentrate in school

Source: The Hope Center for  
College, Community, and Justice

## Building on Existing Efforts

While the idea of adopting an institutional student financial stability strategy may seem daunting, your college may already have relevant work underway. Most colleges have long-standing programs that address financial stability for pockets of students, and campuses across the country have responded to the pandemic in inspiring ways. Colleges have ensured that students have the technology they need for remote learning, coordinated emergency food assistance, connected students to wellness services and housing supports, and offered professional development to college personnel to better support students.

Now is the time to build on those actions and implement structural changes that integrate student financial stability into the typical student experience. This work will include:

- ▶ Fostering a culture that values student financial stability as a key student success and equity strategy and investing in this priority.
- ▶ Making sure that every student's intake includes assessing their needs, making sure they know about total college costs, developing a plan to help pay for college, and connecting them with relevant traditional and non-traditional financial resources throughout their journey.
- ▶ Using higher-touch interventions to provide comprehensive supports for students facing the greatest financial insecurity.
- ▶ Dismantling structures, processes, policies, and practices at the institution that might unintentionally disadvantage students who struggle with financial instability.

1 <https://hope4college.com/>

2 <https://www.unitedforalice.org/>

## THE NCII APPROACH TO STUDENT FINANCIAL STABILITY

NCII offers five strategies that can help colleges frame an institutional approach to student financial stability. These strategies are based on our in-depth work with colleges and state systems across the country that are making student financial stability a priority as well as on a review of the literature.

Strengthening student financial stability requires interdependence and interconnection among college functions as well as with community partners. It also calls for bundling support throughout the student experience — from connection and entry; through students' progress, completion, and advancement; to the next stage of their education and career (the stages of the Loss/Momentum Framework).<sup>3</sup>

We recommend college teams begin by better understanding students' needs in aggregate at the institutional level (Strategy 1) and then consider the remaining four strategies in service of those student-centered insights. Strategies 2, 3, 4, and 5 are inter-related and sometimes overlapping, rather than chronological, linear, or discrete. Colleges can re-arrange and adapt these strategies to fit the context of their own campus priorities and capacity. We also encourage colleges to expand and/or scale strategies that are already working well, to look for ways to increase participation, and to adopt approaches that normalize use of supports related to student financial stability.

- ▶ **Strategy 1: Understand students' needs.** Assess unmet financial needs for your college's students, disaggregated by disproportionately impacted student groups; identify students' top basic needs; leverage multiple data sources to identify student eligibility for supports beyond traditional financial aid, including public benefits and community resources; and monitor student use of services and resources to inform planning and implementation of student financial stability supports.
- ▶ **Strategy 2: Organize and connect supports.** Assess existing on- and off-campus resources; embed individual student screenings and assistance for accessing holistic supports; coordinate and intentionally link various supports as part of the standard student experience; and ease student access to supports (e.g., through a central hub or a single point of contact).
- ▶ **Strategy 3: Connect students to partner supports.** Conduct an inventory of existing relationships and compare those services with students' needs; deepen engagement with external partners to provide more direct and ongoing assistance to students (including co-location on campus); integrate partner tools and resources into campus activities and systems; and establish agreements for data sharing and feedback loops for continuous improvement.
- ▶ **Strategy 4: Ensure that students access supports.** Embrace opt-out approaches that integrate basic-needs screenings and direct assistance throughout the student journey; connect students to timely, relevant resources in a way that reduces stigma and maximizes self-empowerment; and build college personnel capacity to recognize student financial stability issues and refer students to assistance.
- ▶ **Strategy 5: Promote students' long-term financial stability.** Help students choose, enter, and complete programs that lead to economic mobility; minimize loan debt; reduce barriers to completion (e.g., scheduling); expand campus employment opportunities; build financial literacy; and support students' financial stability as they transition out of the college.

<sup>3</sup> The Loss/Momentum Framework organizes the student journey into four key phases. Learn more at <https://www.completionbydesign.org/s/cbd-lmf>.

# Part 2. Top Concerns about Student Financial Stability

## TOP 10 CONCERNS ABOUT SUPPORTING STUDENT FINANCIAL STABILITY

### ISSUES RELATED TO THE COLLEGE'S ROLE AND RESPONSIBILITY

1. We are an academic institution, not a social services agency.
2. We just need to expand financial aid office capacity.
3. We already have a food pantry, clothes closet, special program, information session, etc.
4. We already refer students off campus for help.
5. We don't have the bandwidth to do this work.

### PERCEPTIONS ABOUT STUDENTS EXPERIENCING FINANCIAL INSECURITY

6. If students need these types of supports, maybe they're not ready for college.
7. Students already have access to financial aid.
8. What we really need to offer is financial literacy since our students don't know how to manage their money.
9. Students will just take the money and run.
10. We can only support those students who ask for help.

## Concerns about the College's Role and Responsibility

### 1. We are an academic institution, not a social services agency.

Higher education institutions are not expected to be social service agencies or the singular providers of basic needs assistance. That said, a college may be the best — or even the only — way for students to learn about and connect to the support that makes their education possible. For many individuals, getting financial stability assistance is essential for them to see higher education as viable — and then stay to the academic course, complete their educational goals, and ultimately reach long-term financial stability.

When colleges attend to the whole student in this way, they are not acting as social service agencies. They are acting as colleges that are invested in equity and committed to their students. They also are acting in their own interest as these efforts will lead to improvements in retention and completion.

Many broad access colleges are beginning to shift their thinking accordingly. As postsecondary systems around the country focus on equitable student outcomes, colleges are reconsidering how to more proactively and holistically support students from entry all the way to achievement of their academic and career goals.

Your college may be examining how to ensure it is ready for the students you enroll. You may be rethinking the expectation that students navigate complex structures that have not been designed with their success in mind or endure practices that do not value their lived experiences. Many institutions are realizing that a true focus on equity demands a movement away from a purported meritocracy that says individual effort is enough to carry a student through to their goals — and toward recognizing the potential of student groups that have been historically and systemically underserved and marginalized in higher education.

Truly embracing equity also demands that we re-envision the role our colleges play in students' lives. There is a growing recognition that students' academic achievement depends not only on what happens inside the classroom, but also in their lives off campus.

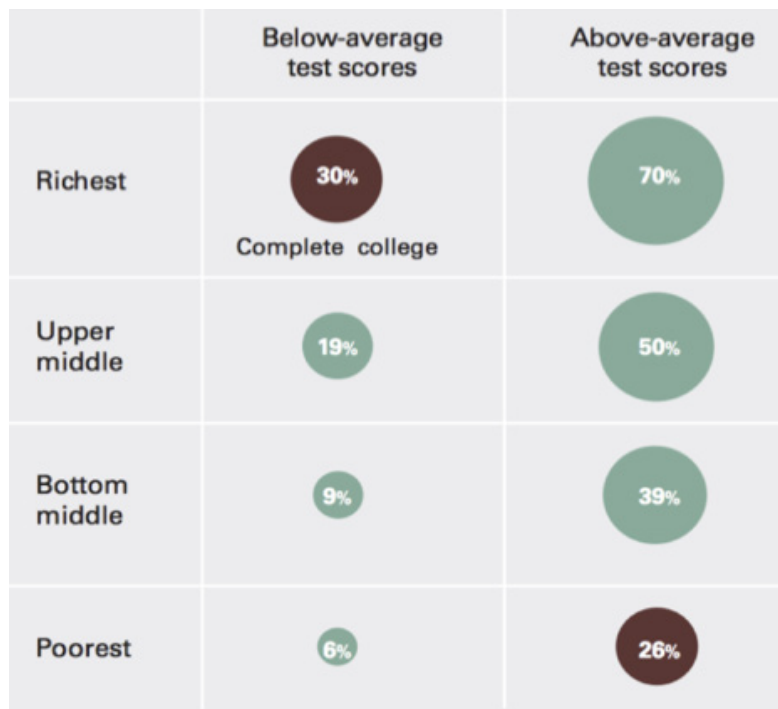
Resources correlate with student success. Unmet basic needs can derail students from reaching their goals, despite their best intentions and aptitude to excel in school (see Figure 1). For example, research conducted by Georgia State University — an early adopter of student-centered, equity-minded redesign that is experiencing increases in equitable outcomes and completion — found a direct correlation between unmet need and academic performance:

*Even when we control for incoming GPA, a GSU student with some level of unmet need is only half as likely to maintain a 3.0 GPA as is a student who has sufficient resources. As levels of unmet need grow, academic performance declines correlatively.*

Student financial stability leaders like Columbus State Community College (OH) and the Alamo Community College District (TX) understand this reality and are re-imagining their institutions' role in both students' lives and in the broader ecosystem of their regions. They view their institutions as key players in eradicating poverty and catalyzing upward economic and social mobility for students from historically under-resourced communities. This view of their role helps to direct their culture and priorities; focus their resources; and inform their operations, programs, and practices. As a senior leader at Alamo states:

*We have a moonshot to partner to fight poverty in our area. [Education] has a multiplier effect . . . Alamo colleges are really the future of San Antonio. If you want upward mobility in this community, you have to go through education.*

**Figure 1.** College Graduation Rates by Family Income and Test Scores



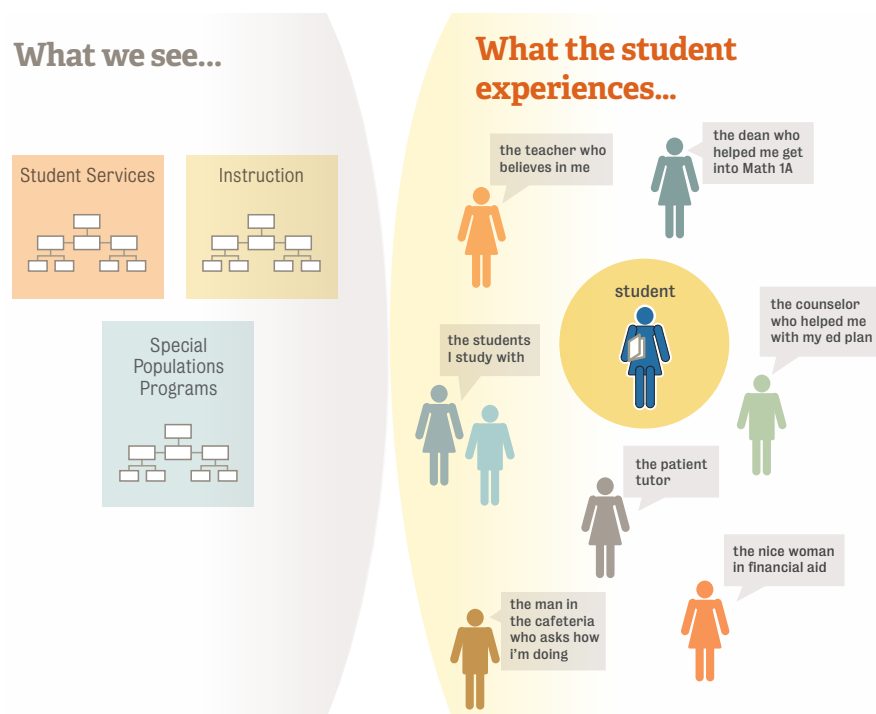
Source: "Affluent Students Have an Advantage and the Gap is Widening," December 12, 2012, *New York Times*, based on research from Bowen, W.G., Chingos, M. M., & McPherson, M.S. (2009). *Crossing the Finish Line: Completing College at America's Public Universities*. Princeton, NJ: Princeton University Press.

## 2. We just need to expand financial aid office capacity.

Certainly the financial aid office plays a vital role in facilitating student understanding of and access to critical financial assistance. At the same time, this function is tasked with complex regulations and compliance management, and it is unlikely to have the capacity to address the full range of student financial stability needs. Colleges must expand their thinking about who on campus is responsible for this work.

Students do not view support systems through traditional campus silos and organizational charts. They look around to see who on campus can help them, reinforcing the idea that everyone at the college must play a role in supporting student success (see Figure 2).

**Figure 2.** Student Perceptions of Institutional Support



Source: *Student Support (Re)defined*, by the Research and Planning Group for California Community Colleges, 2013, [www.rpgroup.org/student-support](http://www.rpgroup.org/student-support).

In addition, putting the locus of all financial assistance in one department perpetuates silos that might prevent students from accessing the full range of available benefits. When colleges broaden the number of people who can support students experiencing financial instability — both inside and outside the classroom — they create new opportunities to meet students where they are with the help they need, when they need it. Cross-department collaboration and shared ownership across campus functions show students that there is no wrong door to accessing financial supports. It destigmatizes basic needs assistance, makes it more accessible, and normalizes getting help.

For example, San Jacinto College (TX) instituted “*San Jac Cares*”<sup>4</sup> as part of its pandemic response. Personnel across all levels and divisions of the college — from executive leadership to faculty to counselors to administrative assistants — are regularly reaching out to students to understand what they need to remain enrolled. The college made more than 50,000 contacts between April and December 2020. The college also is using its application and orientation process to specifically assess students’ financial instability. Across

4 <https://www.sanjac.edu/news/san-jac-cares-sustains-students-employees-during-covid>



these different channels, students with unmet basic needs are then individually connected with support, including food assistance, mental health services, and technology access.

Embedding student financial stability within institutional efforts to increase student equity, such as guided pathways,<sup>5</sup> can increase the likelihood that addressing students' basic needs does not get compartmentalized or marginalized — and improve the odds of students' using supports that facilitate their educational progress. It has the dual benefits of connecting student financial stability to the work of different functions of the college and humanizing the “why” behind redesign work. As an additional benefit, college personnel are often re-energized to pursue institutional change when they can directly link it to addressing students' real-life issues.

### 3. We already have a food pantry, clothes closet, special program, information session, etc.

When it comes to supporting student financial stability, no college is starting from scratch. Most colleges provide basic needs information and resources at varying levels across their campuses. Perhaps your college has a food distribution program, childcare center, or clothes closet. Maybe select students are receiving robust assistance through comprehensive support programs or specialized learning communities. Your college may have a practice of referring students off campus to community partners and public agencies for assistance.

At the same time, no college has finished the work of fully addressing students' basic needs in a sustained, equitable way. Too often, the students who need assistance and resources the most are least likely to access them. Additionally, special programs and initiatives that offer wraparound services, including access to basic needs assistance, typically serve a small number of students. These efforts alone do not fully address the systemic institutional shifts required to ensure that *each* student has access to the full range of supports they need in order to choose higher education, make meaningful progress, remain enrolled in the face of financial hardship, and achieve their goals.

Now more than ever, there is an urgent need and opportunity to think less transactionally and more strategically. Truly serving students will require structural changes that help them juggle the demands of school and work, family and community, and health and safety across their entire journey at your college. Only structural changes will allow for providing these supports at scale.

*Truly serving students will require structural changes that help them juggle the demands of school and work, family and community, and health and safety across their entire journey at your college.*

Current efforts have important value in this transition to a more institutional approach. Individual basic needs initiatives offer important building blocks for inquiry and design of a collegewide agenda that looks to facilitate students' financial stability throughout their college journey. Your college also can leverage the awareness, energy, and approaches generated by pandemic-era efforts to lay the foundation for more systemic support that transcends times of crisis.

Colleges can make the most of their current efforts by reflecting on what has worked so far and considering which students have been excluded from well-intentioned systems and supports. Then, they can determine how broader student financial stability efforts can serve as an essential strategy for student-centered, equity-minded change.

<sup>5</sup> Guided pathways is a national movement to help each student effectively and efficiently attain high-quality postsecondary credentials and careers with labor market value — and to achieve equity in those outcomes. Learn more at <https://www.pathwaysresources.org/>.



## 4. We already refer students off campus for help.

Most institutions have relationships with off-campus service providers who offer essential resources and expertise. Your college most likely informs students about the financial and other basic needs support they can access in the community, but referring students off campus does not ensure that their concerns will be resolved. Instead, bring your partners' services on campus and closer to the students.

Colleges tend to make big assumptions about referrals. Often, the people referring students cross their fingers and assume (hope) that if students do not return for additional assistance, they got the support they needed. In fact, the farther the distance between the student and the service, the more places students can get lost along the way.

When colleges integrate partners and their services into the natural flow of the student experience — and position these resources as opt-out, rather than opt-in — students are more likely to be aware of the full range of resources available and access the help they need. This approach also means expanding support beyond onboarding activities (e.g., orientation, success course) so students in their later terms also get timely and relevant assistance.

For example, all three colleges within the San Mateo County Community College District (CA) offer SparkPoint Centers.<sup>6</sup> In collaboration with United Way Bay Area, campuses provide a broad range of critical student supports, including individualized financial coaching and education; public benefits enrollment; and access to food, housing, and legal resources. Each institution deploys a combination of community partnerships that helps their unique student populations access services throughout their college journeys so they can achieve academic, financial, and personal success. Similarly, The Connections Center at Rockland Community College (NY) maintains robust partnerships with the United Way of Rockland County, area food banks, and other community organizations to support students and their families. They emphasize an empathic approach when “life happens” so students can remain engaged with their education (see Figure 3).<sup>7</sup>

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<sup>6</sup> For more information on the San Mateo Community College District's SparkPoint Centers, visit Skyline College, <https://skylinecollege.edu/sparkpoint/>; Cañada College, <https://canadacollege.edu/sparkpoint/>; and College of San Mateo, <https://collegeofsanmateo.edu/sparkpoint/>.

<sup>7</sup> <https://sunyrockland.edu/services/connection-center/>

*Rockland Community College (NY) maintains robust partnerships with community organizations and emphasizes an empathic approach.*

**Figure 3.** The Connection Center at Rockland Community College

## **WE'RE HERE FOR YOU WHEN LIFE HAPPENS.**

**OUR MISSION:** The Connection Center provides empathic, non-academic supports for students and their families, when life happens. In addition to establishing mutually identified goals with students and family members, we maintain an environment that fosters understanding, warmth, acceptance, and inclusion. We encourage and promote self-advocacy, self-empowerment, and the overall well-being of those we help.

- The Connection Center provides services to students and families in a judgment free space.
- The two main non-academic struggles faced by RCC students are food and housing insecurity.
- 1 in 5 adults struggle with a “mental health issue” (anxiety, depression, etc.) at some point in their life.
- Life Happens to everyone. Some people think that they have to figure their problems out on their own; that asking for help is a sign of “weakness.” This is a fallacy. Self-advocacy is empowering.
- If we can’t help you directly, we know someone who can. Some of the resources are available on-campus; others, in the community. We will help you identify and connect with the appropriate resources, based on your individual situation.
- United Way’s 211 confidential, free Helpline is available in multiple languages 365 days a year. Visit the Connection Center on campus or dial 211 directly for more information on how to receive assistance in the following health and human services areas:
  - Childcare
  - Clothing: Clothes Rack on Main Campus & Haverstraw campus; Community Clothing Services
  - Discussion Groups
  - Employment/Unemployment
  - Food: Student Voucher Program; RCC Food Cupboard; Community Food Pantries; SNAP application assistance; Nutrition education
  - Health Insurance
  - Housing
  - Individual Counseling
  - Legal
  - LGBTQ+ Resources
  - Medical/Prescription, Free Health Clinic Resources
  - Mental Health/Crisis
  - Telephone/Cell Phone
  - Utilities: electric, gas, water

Before withdrawing from your classes, come speak to us.

Source: We Are Here for You When Life Happens. From *The Connections Center*, Rockland Community College, 2021, <https://sunyrockland.edu/services/connection-center/>.

## 5. We don't have the bandwidth to do this work.

The COVID-19 pandemic has pushed colleges to their limit. Your institution may be grappling with delivering on its core mission and wondering how to manage increasingly limited resources while also anticipating budget cuts.

Yet there is an opportunity in the crisis so many colleges are facing. More people are realizing that what happens outside of students' college life directly impacts their academic success — and that the college has a key role in addressing those factors. Helping students meet their basic needs is directly aligned with making good on the college mission of preparing students for advanced education, the workforce, and civic life. And supporting student financial stability is integral to realizing the college's equity and social justice goals.

Investing in students' financial stability, moreover, can lead to a positive downstream return. Supporting students with basic needs can contribute to increases in equitable performance, retention, and completion. As more and more systems tie community college funding to improvements in student success metrics — and center accountability in equity — addressing student financial stability offers a strategy for *boosting* college capacity rather than draining limited resources.

For example, at the onset of the pandemic, the Alamo Colleges (TX) embarked on a concerted effort to reduce financial barriers for students and give them incentives to stay in school, including tuition assistance, debt forgiveness, and support for entrance exam and testing fees. The college allowed students who completed their spring 2020 semester to enroll in the summer for free. It also let students who were unable to pay tuition upfront enroll for \$1 while their support team helped them construct a payment plan.

The college had to be creative to find the money for these incentives. In addition to leveraging CARES Act funding, the team repurposed \$4 million from district and college travel and hospitality budgets. And their effort is paying off. The college has had record enrollment and retention even in the face of COVID-19 impacts.

*Helping students meet their basic needs is directly aligned with making good on the college mission of preparing students for advanced education, the workforce, and civic life.*

While your college may not be able to address all of students' financial stability needs, there is a good chance it can do more, especially building capacity via deeper collaboration with community organizations, public agencies, private funders, and businesses. Some colleges are connecting with counseling programs at local universities to offer free mental health services to students. Others are co-locating representatives from government agencies (e.g., Department of Health and Human Services) to directly guide individual students through the benefits application processes. Still others are housing community-based organizations on campus so students have immediate access to services.

In some cases, your institution might find it needs to do *less*. Every college should look for organizational structures, processes, practices, and policies that are unintentionally impeding the financial stability of specific student groups and address them. This self-examination may lead to actions such as streamlining how students navigate the emergency assistance application or reducing how many times students have to share and reshare their stories of trauma to receive support.

Investing in professional development can further bolster college bandwidth. Training can help personnel understand the value of student financial stability, learn how to connect students to necessary resources, and brainstorm ideas for new types of support. Involving faculty, for example, can have a widespread and immediate impact. Imagine if every faculty member on your campus embedded support into the classroom experience by including basic needs resources in course syllabi and online student portals. Imagine if every faculty member had easier ways to refer students to campus resources. Colleges also can establish

designated points of contact on student success teams; within different divisions; via support programs; or through newly formed student support structures, such as a campus financial stability center, an online portal, or a student services syllabus. These approaches can act as a hub for assistance and diffuse the work of supporting students.

Finally, recognize that faculty and staff themselves may be struggling with financial insecurity and open up resources to support their wellbeing. In this way, incorporating financial stability services can improve the environment and experience for *all* campus stakeholders.

## BASIC NEEDS AMONG COLLEGE PERSONNEL

Emerging research shows that students are not the only ones experiencing financial instability on our campuses. College personnel may also be struggling to meet their basic needs. For example, a 2015 study revealed that a minimum of 25 percent of part-time faculty and their families were enrolled in at least one of four public assistance supports examined by the project (e.g., Medicare, Supplemental Food Assistance Program). The pandemic has likely exacerbated this issue. In November 2020, The Hope Center found that 38 percent of surveyed faculty reported food and/or housing insecurity.

This research portends a commensurate financial stability concern may be on the horizon with faculty and staff. Some institutions like Mt. San Antonio College (CA) and Columbus State Community College (OH) are beginning to extend services such as food and technology distribution programs to the entire campus community — students and college personnel included — and are working to destigmatize use of these services for all who need them.

## Perceptions about Students Experiencing Financial Insecurity

### 6. If students need these types of supports, maybe they're not ready for college.

As colleges rethink their structures, policies, and practices in an effort to increase completion and close equity gaps, they are turning the paradigm of a “college-ready” student on its head. Perhaps your own institution is considering ways to be more student-ready. Certainly acknowledging and addressing students’ unmet financial needs will help clear barriers to enable more of your learners realize their agency and potential.

Many students withdraw from institutions despite being in good academic standing. It should be no surprise that students who are hungry, living in their cars, lacking adequate childcare, or grappling with an untreated illness might not be able to focus on their coursework. It is not that they are not incapable; rather these kinds of financial emergencies pull them away. Students are talented, worthy, and deserving of success. Access to opportunity and resources matter, and a lack of both can derail the best student intentions and institutional designs.

Some educators might think, “I didn’t need this when I went to college.” But current college populations are very different from previous generations; in fact, yesterday’s nontraditional students are today’s traditional

students. Those attending community colleges today are more likely to be working full- or part-time, caring for a child or a family member, the first in their family to attend college, and/or returning after years away from school. Plus, given the wider range of students' life circumstances, not all students need the same supports to succeed in higher education.

Georgia State University (GSU) — a national model for student success — has one of the greatest institutional reform stories to date. Over the past decade, by braiding predictive analytics with academic and financial supports, the university increased its overall graduation rate by 23 points — and remarkably by 35 points for Latinx students (to 57 percent), and 29 points for African-American students (to 58 percent). Furthermore, it has eliminated achievement gaps based on race, ethnicity, or income, with African-American, Latinx, first-generation, and Pell-eligible students graduating, on average, at or above the rates of the student body overall.

In terms of student financial stability, GSU made an intentional effort to scale financial interventions, and in late 2016, launched its SunTrust Student Financial Management Center. This Center applies the college's signature predictive analytics approach to financial advisement. Financial counselors monitor students' progress and intervene to provide support and advice that ensures that students stay on path to complete their educational goals. It is critical to note two aspects of GSU's approach: (1) the college served the students it already had instead of recruiting students that some might perceive as "college-ready"; and (2) it recognized the critical role the *institution* played in proactively supporting students. In doing so, GSU proved that students from all backgrounds and contexts can succeed.

## 7. Students already have access to financial aid.

This statement makes four faulty assumptions: (1) any student who needs financial aid has it; (2) financial aid addresses all of each student's needs; (3) students reach out to the Financial Aid Office (or another college department) when needs arise; and (4) students' financial situations remain consistent.

The existence of financial aid alone does not mean students apply, qualify, and/or secure these funds or that these funds are provided in a way and on a schedule that is effective for students. Further, access to and use of financial aid is far from equitable.

Often, Pell Grant status is used as a proxy to identify the number of low-income students at a college. But the number of Pell-eligible students often is far greater than the number of students who receive these grants. To secure a Pell Grant, a student must complete the labyrinthine process of applying for financial aid, which in and of itself is often an inequitable experience. An annual study of federal financial aid use conducted by NerdWallet found that in 2018, more than 600,000 high school graduates from families with low incomes missed out on \$2.6 billion in Pell Grant funding because they did not complete the Free Application for Federal Student Aid (FAFSA).

In some cases, students are unaware they need to fill out the FAFSA in order to access federal assistance. In other instances, students struggle to gather the necessary information to complete the application. The more complex their financial situation, the more documents they must submit, and the longer the verification may take. Further, the verification process can be biased against students of color who come from low-income, underserved, and first-generation families. Analysis of federal financial aid data shows that Pell-eligible students asked to verify their incomes are ultimately less likely to secure this aid — and that African-American and Latinx students are audited at disproportionately higher rates. This so-called "verification melt" and the

*The existence of financial aid alone does not mean students apply, qualify, and/or secure these funds or that these funds are provided in a way and on a schedule that is effective for students.*

constant wrestle with bureaucracy that requires students to prove that they are poor becomes another barrier — and sometimes an immovable obstacle between students and their education.

Other student groups face their own barriers to aid for tuition and fees. For example, in California, nontraditional students, such as older students who do not attend college immediately following high school, are ineligible for a Cal Grant award, which offers students money they do not have to pay back. Middle-income students may have earnings that are too high to qualify for aid but not enough to cover tuition out of pocket. In other cases, complicated family structures play a role. For example, some students have parents who still claim them as dependents (limiting the students’ access to aid) but who do not help finance their education. And in some cases, parents who do not cooperate can make it difficult for students to access necessary documents, including the parent’s tax returns.

In addition, federal financial aid policies may create a climate where students feel penalized for needing and using this assistance. Research on community college students’ experience of securing financial aid revealed significant issues related to delays in the disbursement process, ongoing procedural challenges, and concerns related to maintaining eligibility. Given that the burden of these struggles fell disproportionately on students of color and those with low incomes — the students who make up the majority of the community college student body — these barriers have alarming equity implications.

When students do receive financial aid, often it does not cover the entire cost of attendance, leaving students with unmet financial need. Beyond tuition, the cost of textbooks, supplies, and equipment are not well-covered by financial aid, and unfunded living expenses — including food, housing, child care, health care (including mental health services), technology, and transportation — can add up to an incredible financial burden. Research conducted by Center for Law and Social Policy (CLASP) found that nearly 75 percent of college students have unmet financial need, and the amounts are significantly higher for students of color and low-income students. One budget developed by the California Student Aid Commission estimates that in 2022–23, a student living off campus (but not with parents) can expect books and supplies, food, housing, transportation, and personal expenses alone to total more than \$23,000 annually, before they even factor in tuition, loan fees, or child care (see Figure 4).

Thus, while financial aid is an important part of the student financial stability picture, it is far from a panacea for students struggling to meet their basic needs. Connecting students to funds that do not need to be paid back, minimizing loans, and marshalling additional assistance and resources is essential to keeping them on a path toward goal achievement.

**Figure 4. California Student Aid Commission 2022–23 Student Expense Budgets**

CALIFORNIA STUDENT AID COMMISSION 2022-23 Student Expense Budgets			
ALLOWANCE	WITH PARENTS	ON CAMPUS HOUSING	OFF CAMPUS HOUSING
<b>TUITION AND FEES<sup>1</sup></b>	ACTUAL INSTITUTIONAL CHARGES		
<b>BOOKS AND SUPPLIES<sup>2</sup></b>	\$1,152 PER ACADEMIC YEAR		
<b>FOOD<sup>3</sup></b>		ACTUAL INSTITUTIONAL CHARGES	
Per Month: \$ 1,040 / MO Per Year: \$ 9,360 / YR			\$ 637 / MO \$ 5,733 / YR
<b>HOUSING<sup>4</sup></b>			
Per Month: \$ 1,339 / MO Per Year: \$ 12,051 / YR	INCLUDED IN ABOVE		
<b>TRANSPORTATION<sup>5</sup></b>			
Per Month: \$ 114 / MO Per Year: \$ 1,026 / YR		\$ 39 / MO \$ 351 / YR	\$ 104 / MO \$ 936 / YR
<b>PERSONAL / MISC<sup>6</sup></b>			
Per Month: \$ 372 / MO Per Year: \$ 3,348 / YR		\$ 300 / MO \$ 2,700 / YR	\$ 436 / MO \$ 3,924 / YR
<b>CHILD / DEPENDENT CARE</b>	REASONABLE EXPENSES WITH ADEQUATE DOCUMENTATION PROVIDED BY THE STUDENT, DEPENDING UPON AGE AND NUMBER OF CHILDREN		
<b>LOAN FEES</b>	FOR STUDENT LOAN BORROWERS, ACTUAL OR AVERAGE LOAN ORIGINATION AND INSURANCE		
<b>TOTAL, Excluding Allowances based on actual institutional charges</b>			
Per Month: \$ 1,654 / MO Per Year: \$ 14,886 / YR		\$ 467 / MO \$ 4,203 / YR	\$ 2,644 / MO \$ 23,796 / YR

<sup>1</sup> Includes all mandatory fees.  
<sup>2</sup> The breakdown for this category is as follows: books (\$630), educational supplies (\$144), course material fees (\$180), and computer-related expenses (\$198), excluding the costs associated with the purchase of a personal computer.  
<sup>3</sup> Includes food, snacks, and meals.  
<sup>4</sup> Includes dorm charges, rent, and utilities.  
<sup>5</sup> Includes travel to and from parent's residence and transportation costs to and from classes. (e.g., bus fare, gasoline, tolls, parking.)  
<sup>6</sup> Includes clothing, laundry and dry-cleaning, personal care, gifts, recreation, medical etc.

NOTE: The expense budgets shown on this table are based upon average expenses reported by students at the University of California, California State University, California independent institutions, and California Community Colleges in the 2018-19 Student Expenses and Resources Survey (SEARS), adjusted for inflation with the 2022-23 CPI.

Source: California Student Aid Commission 2022–23 Student Expense Budgets. From *Student Expense Budget*, California Student Aid Commission, 2021, <https://www.csac.ca.gov/post/student-expense-budget>.



## 8. What we really need to offer is financial literacy since our students don't know how to manage their money.

Focusing on financial literacy assumes that students have funds to manage in the first place. In the context of financial stability, students may be struggling just to get their basic needs met, rather than maximize or invest their extremely limited resources. A senior leader at Amarillo College notes that prudent management of finances is not the main issue, saying, "I've seen students make \$5 feel like \$50."

While there is certainly an opportunity to better embed practical financial literacy education into college curricula, this approach is separate from the need for expanded financial support. Students who face homelessness, endure hunger, and lack sufficient funds to fulfill basic needs can gain more from direct benefits assistance than credit coaching. That said, colleges can offer layers of financial wellness by integrating housing support options, food distribution, and access to public benefits with services that boost students' understanding and confidence with managing their scarce resources.

Columbus State Community College's Four Pillars of Student Financial Stability can offer useful direction for framing this work with both students and educators (see Figure 5). As a national innovator, Columbus State suggests moving students via intentional, embedded supports along a continuum.

When we support students' financial access — helping them connect to the full complement of food, housing, emergency aid, transportation, child care, health care, utilities, legal services, tax preparation, and mental health services for which they are eligible and in need — we increase the likelihood that they can move from crisis with resiliency. Then, they can step into a proactive space where they can think about what it takes to be financially well and increase their financial literacy. Moreover, facilitating their financial access can help students reach the ultimate goal of financial mobility, which is tied to their staying in school, completing their educational goals, and advancing into a career and/or further education.

**Figure 5.** Columbus State Community College Pillars of Student Financial Stability

Source: Vice President of Student Affairs, Columbus State Community College





## 9. Students will just take the money and run.

You might have heard practitioners express concern about students' abuse of assistance, assuming that fraud is prevalent and that students are gaming the aid system. Perhaps you have heard of "Pell runners" who enroll in the college and then leave as soon as they get their aid.

We must ask ourselves why our perceptions of students originate from a place of doubt, rather than trust. Such deficit-minded thinking strips students of their dignity, assuming the worst rather than fostering an environment in which students will do right by the financial support they receive. Further, it deflects from our colleges' own responsibility to ensure students get their basic needs met so they can focus on achieving their educational goals.

While inevitably there exists some abuse in any aid system, the incidence is extremely small. The vast majority of students do not attend college for immediate financial gain. Rather, most are hoping that college will be the path to achieving a better life through improved career opportunities and living-wage employment. Further, when we support students in managing their financial assistance over the course of a semester, we increase the likelihood that they apply this support in purposeful and direct ways that contribute to their persistence and completion.

## 10. We can only support those students who ask for help.

Expecting students to self-identify for aid puts the onus for sourcing information and resources squarely on the shoulders of students already carrying the heavy burden of poverty. Moreover, many students do not identify their college as the go-to source for basic needs support. If a student does not know this help exists and no one tells them, why would they ask for it? If educators do not make student financial stability a natural part of the college journey, why would students think it appropriate to look to this network for assistance?

And some students may not feel comfortable asking for help. For example, research shows that students of color and first-generation students may be already grappling with impostor syndrome and questioning their worthiness for or place in postsecondary education. These concerns may lead them to withhold their financial struggles or fear asking for support. Revealing that they are suffering from hunger, housing instability, or any other number of basic needs issues may leave them feeling all the more vulnerable.

Reflecting on your own college's population might confirm that you serve students with these circumstances and reveal an opportunity to better understand your students' cultural contexts. It might reveal an opportunity to reduce the stigma associated with using broader forms of financial assistance. It might improve how your college reaches out and communicates with students so they feel their backgrounds, language, and lived experiences are understood. Ultimately, it might help you shift your campus toward a culture of taking responsibility for student financial stability — and valuing this work for the way it advances your equity agenda and serves both your students and your college.

Colleges are responsible for ensuring that students receive the support they need to succeed, and they know how to do so. Colleges also are aware of long-standing issues that impede student progress. They have data tools to predict where students might struggle so they can proactively contact students to help them.

Despite this knowledge and capacity, we know that all too often, support systems are not working in a coordinated, coherent way for all students across their entire college trajectory. It is critical now more than ever for colleges to clearly understand students needs and then to take ownership for marshalling the financial stability resources and assistance students need throughout their entire journey.

# Conclusion and Next Steps

Concerns about student financial stability are raised with good intention and courage by college practitioners and leaders. This resource offers language and considerations to facilitate meaningful conversations with colleagues to better understand the roots of these issues and continue building long-term solutions that give all students access to financial stability supports. It also seeks to highlight that colleges are not in this work alone. Community-based organizations, public agencies, private foundations, and employers are important collaborators in meeting students' holistic needs, and these capacity-building partnerships will be all the more essential as colleges navigate the future.

College practitioners and students across the country have shared with us how challenges to financial stability, and in particular basic needs security, threaten student access, retention, success, and completion. The growing awareness of the scale and severity of these issues — underscored by a pandemic that laid bare rampant inequities — offer a call to action for colleges: It is time to design educational experiences that identify the true costs of attending college and to support students and their families in addressing them throughout their educational journeys. Student financial stability is an essential strategy for ensuring that all students — particularly those historically underserved by and marginalized in higher education — achieve their academic, career, and personal goals.

## For more information about student financial stability design and implementation:

- ▶ Review ongoing research conducted by The Hope Center for College, Community, and Justice about student basic needs in higher education, including its latest national report, [#RealCollege 2021: Basic Needs Insecurity During the Ongoing Pandemic](#).<sup>8</sup>
- ▶ Visit [United for ALICE](#),<sup>9</sup> a national organization bringing attention to the unique experience of Asset Limited, Income Constrained, Employed people across our country, including college students or those seeking to pursue a postsecondary credential.
- ▶ Explore emerging state-based efforts, including [Michigan's Building Economic Stability Today \(MI-BEST\)](#)<sup>10</sup> and [California's Higher Education Basic Needs Alliance \(CHEBNA\)](#).<sup>11</sup>

## To learn more about student financial stability at the National Center for Inquiry and Improvement:

- ▶ Find additional resources for institutional student financial stability efforts — including [Student Financial Stability Scale of Adoption Self-Assessment](#) and [What Does Student Financial Stability Look Like in the Student Experience?](#) — at [ncii-improve.com/student-financial-stability](https://ncii-improve.com/student-financial-stability).
- ▶ Contact Priyadarshini Chaplot, Vice President of Strategy, [priya@ncii-improve.com](mailto:priya@ncii-improve.com), with questions or to request support applying this resource at your institution.

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<sup>8</sup> <https://hope4college.com/rc2021-bni-during-the-ongoing-pandemic/>

<sup>9</sup> <https://www.unitedforalice.org/>

<sup>10</sup> <https://www.mcca.org/MI-BEST-RESOURCES>

<sup>11</sup> <https://www.calstate.edu/impact-of-the-csu/student-success/basic-needs-initiative/Pages/default.aspx>

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