Financial aid innovations for college affordability and mitigating student debt

Brief no. 3: Addressing student need beyond crisis management

Introduction

Many higher education leaders express the goal of ensuring any student can attend any university of their choice and be able to afford it without taking on unmanageable debt. Current demographic trends suggest reaching this goal will be challenging. College students are becoming not only more racially and ethnically diverse, but also older and more likely to be parents and workers (Adams & McBrayer, 2020). Today's students will expect to enter and exit higher education at multiple points throughout their lifetime and career.

Achieving this goal will require more than simply providing financial aid through loans, grants, and scholarships. It will require a constellation of solutions and new business models that leverage partnerships among universities, students, employers, and others. There is no one-size-fits all approach, and there are no silver bullets. Rather, these innovations work together to create opportunities, begin dismantling structural inequities, and build a more inclusive society where every student can achieve their potential.

The first research brief in this series explored the size and scope of the problems of affordability and growing student debt, and how the pandemic exacerbated inequities already present in society. The brief laid out a case for developing a universal goal and targeted strategies for achieving that goal, using a conceptual framework called Targeted Universalism. The second brief explored the CARES Act emergency aid funding for students as a mitigation strategy during the pandemic, and how this emergency grant aid was distributed to support students. The recommendations for policymakers and institutions will inform future emergency aid efforts. This third and final brief goes beyond emergency aid and immediate crisis management to explore a variety of innovations that address affordability and student debt burden. It looks at five common strategies institutions are using, specifically the nine institutions selected as Affordability Fellows. These institutions were selected for their work on affordability as part of APLU's Powered by Publics initiative. The results of this study will support practitioners at universities across the country that seek to advance similar programs for meeting students' financial needs.

Research methodology

Representatives from the nine Affordability Fellows institutions shared information about one or more of the five innovations during two structured 90-minute discussions in December 2020 and February 2021. Further details were captured in 1–2 hour-long key informant interviews in November 2020 and January 2021. Participants included senior professionals from offices of financial aid, enrollment management, academic affairs, and student affairs at each institution. Although most participant identities have been kept confidential, certain individuals agreed to be quoted. The institutions have been identified in association with each innovation in the "Success Highlight" features throughout the brief. The nine participating institutions are listed in Table 1. Due to the qualitative nature of this research, questions may remain about each innovation, and APLU encourages further inquiry and learning.

The innovations

"We've learned that students are taking on educational debt for indirect expenses. It's not necessarily affording the billable costs; it's affording the life costs…a lot of the indirect costs are barriers for students and we see that more in our students who get the full Pell and get the full state aid that they're taking on loan debt to manage their indirect costs, their housing, if they're living off campus, their food."

Natalia Morriseau, Director of Financial Aid, Rutgers University, Newark

The innovations below were selected for further study based on their prevalence across the nine Affordability Fellow institutions, and their potential for scaling at other institutions.

The five innovations are:

Innovations address affordability & student debt burden.

1. **One-Stop Centers** for emergency aid and services to meet students' financial and non-academic needs

2. **Completion and retention grants,** which provide funds to current students with financial need who are on track to complete their degrees.

3. **Institutional debt forgiveness,** which forgives debts owed to the university up to a certain amount to incentivize retention for current students or re-enrollment for students who have stopped out.

4. **Affordable learning materials,** including Open Educational Resources (OER) and textbook scholarships, which address the high cost of textbooks and other required learning materials.

5. **Industry partnerships,** or partnerships between the university and local employers to finance students' education.

The authors explored two additional innovations: **Individual Training Accounts (ITAs)**, a U.S. Department of Labor program that funds education for displaced workers; and **Income Share Agreements (ISAs)**, or contracts in which students receive funding for their education in exchange for a share of their post-graduate income. These innovations are not covered extensively in this brief due to insufficient data but are mentioned in the discussion as an area for future research.

Table 1 provides a summary of the innovations in use at each of the nine institutions with links to university webpages where applicable.

Table 1. Matrix of financial aid innovations and affordability Fellow institutions					
	One-Stop Centers for Aid	**Completion & Retention Grants**	**Institutional Debt Forgiveness**	**Open Educational Resources & Textbook Scholarships**	**Industry Partnerships**
Cleveland State University	Campus 411 All-In-1 Lift Up Vikes! Resource Center and Food Pantry	Last-Mile Scholarships	Debt forgiveness for stopped out students	2-for-1 Tuition Promise Scholarship and Bookstore Credit Affordable Learning Initiative Textbook Affordability Grant	Parker Hannifin Scholars Program
Rutgers University-Newark	myRUN			Open and Affordable Textbook Program (OAT) First Day Course Materials	Employer-funded tuition programs
University of Cincinnati	One Stop Student Service Center	Bearcat Comeback	Debt forgiveness for first-time, Pell-eligible freshmen at risk of stopping out	UC Smartbooks and Rent-A-Text	Co-op program
University of Louisville		Persistence Grants	Debt forgiveness pilot	Bookstore vouchers and scholarships	Metropolitan College
University of North Texas	Start Green, Stay Green	Completion and Retention pilot	Debt Forgiveness	Open Educational Resources, OER Summer Grants, and Curated Course Materials	Corporate partnerships through the Division of Digital Strategy & Innovation
University of Texas at San Antonio	UTSA One Stop	Incentive and Retention Grants		Open Educational Resources	
Virginia Commonwealth University	Student Financial Management Center	Graduation Funds program		VCU Affordable Course Content Awards VIVA Open Grants	
Wayne State University	Financial Aid	Board of Governors Completion Grant WSU Promise Grant	Warrior Way Back		Partnership with the City of Dearborn
West Virginia University	Mountaineer Hub	Completion grants in development			

Innovation 1: One-Stop Centers

One-Stop Centers advance the universal goal of affordable college by creating customized services that address students' specific financial needs, assembled in one place. In addition, the centers may increase students' sense of belonging on campus by reducing confusion, frustration, and feelings of not being fully supported. They also support student retention through timely, efficient services and connection to resources.

This research found that one-third of the Fellow institutions were utilizing One-Stop Centers to communicate to their students the available aid and programs on campus; therefore, the One-Stop Centers have been showcased here as an additional innovation. These centers are used to assemble and promote student and financial services in a way that is easy for students to access and understand, minimizing the confusion and frustration that arises when students are shuffled across multiple departments to seek information. These centers combine the functions of several offices, including admissions, the registrar, financial aid and scholarships, and student life in a centralized physical location and/or online platform. The model became popular in the 1990s and has seen a resurgence as universities strategically position staff and services to effectively meet students' needs (Gonzalez, 2016; Herget, 2018). One-Stop Centers provide a consistent and centralized location for information, reduce communication conflicts, and connect the constellation of services that are targeted to diverse student needs.

The Affordability Fellows highlighted several key factors for success in implementing One-Stop Centers. Virginia Commonwealth University (VCU) noted the importance of relationships between students and financial counselors, and between financial counselors and other staff across campus, especially in creating processes that are streamlined, efficient and student-centered. VCU said staffing should be proportional to the student body, considering the labor-intensive nature of relationship-building. Second, sustainable funding should be provided to ensure Center staff are trained to interact with diverse student populations. VCU urged other universities to invest in continuous staff learning for topics such as social justice development theory, racial identity theory, LGBTQIA+ theory, and counseling techniques that work well across multiple social identities. Finally, collecting good data will help universities target services to meet students' needs and keep them enrolled. Student survey data at the University of North Texas (UNT) revealed that financial distress was a top reason why students were withdrawing and failing to re-enroll. This allowed the university to target financial aid and assistance to withdrawn students.

Centralized location provides students easy access to information.

"When a student comes to us with a scenario or a concern, their concern can have implications just beyond the bill or beyond financial aid, and our [financial] counselors are empowered to not send that student off with "That's for your academic advisor, go ask them that question." Our financial counselors reach out to those resources... on behalf of the student, building those relationships. When our financial counselors give answers, they're not just the financial aid or the billing answers, they're all the answers. Our [financial] counselors are all about building those relationships so that all our students' needs are being met."

Jesse McMillan, Associate Director of the Student Financial Management Center, Virginia Commonwealth University

Success Highlight: Virginia Commonwealth University's Student Financial Management Center

Virginia Commonwealth University first implemented the one-stop center model in January 2010 as the Student Services Center (Supiano, 2011), which was expanded to the Student Financial Management Center (SFMC) in Fall 2019. The first goal of the SFMC is to be the public face of the Financial Aid and the Student Accounting offices and provide fluid services to students. Student feedback indicated that students were frustrated with being shuffled among multiple offices and personnel to get their questions answered. The SMFC empowers financial counselors to build relationships across campus to begin meeting students' needs during the first interaction.

The second goal of the SFMC is to provide financial literacy to students through financial counselors. There are currently 13 staff members; two additional financial counselors will be added in 2021. Each financial counselor attends to a caseload of students within one academic college or academic program and builds a deep relationship with that college or program. The Lead Financial Counselors teach an introductory course (UNIV 191), bringing information directly to students. Students are also able to contact the SMFC through a 24/7 hotline provided by Blackboard.

More than 70% of all VCU students receive financial aid and are assigned a financial counselor. Roughly 7,000 students visited the SFMC during the 2019-2020 academic year; the Center manages about 350 student inquiry emails per week. The SFMC recently initiated a student financial advisory committee, comprised of students, student government representatives, and key staff, to obtain direct student feedback on how the Center is doing and ways it can improve.

Success Highlight: "Start Green, Stay Green" at the University of North Texas

In the spring of 2019, President Neal J. Smatresk formed a committee to focus on student retention, with a subcommittee tasked with exploring student financial issues; one stop centers emerged as a promising practice. Six divisions across the University of North Texas then collaborated to form Start Green, Stay Green, a one-stop virtual center that provides students with a central online location to access available services, including the "Student Money Management Center" for financial aid, emergency loans, and personalized financial coaching; "Mean Green Gowns for Grads," a cap and gown program for first-generation, DACA, low-income, and minoritized students; a food pantry; housing insecurity assistance, and other resources. UNT also pursues options for students who need services not included on the website. Start Green, Stay Green has a central website and is promoted via social media and referrals from faculty and staff. More than 2,500 students have submitted requests for escalated financial assistance.

UNT is assessing the impact of Start Green, Stay Green by measuring the decline in withdrawn students and the overall record increase in student retention. According to Joey Saxon, Associate Vice President for Student Financial Services, UNT has seen a dramatic decline in the number of students withdrawing due to financial issues since the Center's inception. Students and parents have also provided positive feedback via survey on the ease of locating information and seeking escalated assistance.

Innovation 2: Completion and retention grants

Completion and retention grants are an innovative strategy to advance the universal goal of affordable college by covering unmet need through small grants to students in good standing who are nearing degree completion.

Unmet financial need remains a significant barrier to degree completion for many low-income students, especially those in their final year of college—when savings are often exhausted and traditional need-based financial aid proves insufficient in covering students' expenses (Association of Public and Land-grant Universities and Coalition of Urban Serving Universities, 2018 & 2016). One estimate suggests that almost 15% of students who have completed three-quarters of required courses leave college without a degree; once they're gone, they have only a 30% chance of returning (Neitzel, 2019). These students are often disproportionately low-income, first-generation, and students of color. Cleveland State University's Last Mile Scholarships program, for example, reports that half of recipients are first-generation, and 35% are racial or ethnic minorities.

Completion and retention grants help students close to finishing their degree from dropping out.

Completion and retention grants are small, just-in-time awards that help students who are on the brink of dropping out of college despite being close to finishing their degree. In some cases, these grants are available to cover a balance on the students' college account (e.g., for tuition and fees), and in other cases they are also available to cover additional expenses of attending college (e.g., living costs or books) (Hope Center and Association of Public and Land-grant Universities, 2019). West Virginia University, for example, worked explicitly to identify students who had exhausted or were near exhaustion of their federal funding to target their completion grants.

"When we see students who clearly are not finished with their degree and we see that they don't register within the registration period, that's an alarm for us. We are watching our students who either have registration holds, which in many cases is because of a balance. We are working aggressively [with those students] and utilizing these retention grants and incentive funds to help spur students to continue their enrollment, and to come forth if they have questions or need additional help."

Lynn Barnes Jr., Senior Vice Provost for Strategic Enrollment, University of Texas at San Antonio

For additional information on completion and retention grants see the 2016 pilot project, led by the Coalition of Urban Serving Universities (USU) and APLU, which awarded $450,000 to nine APLU-USU universities to help these institutions launch and/or expand micro-grant programs.

Success Highlight: University of Texas, San Antonio's Incentive and Retention Grants

UTSA's Office of Financial Aid & Scholarships and Fiscal Services Office jointly established the Incentive & Retention Grants program in 2018 as a pilot program. The program developed after a series of conversations between students and campus leadership, where it became apparent that students with small balances would greatly benefit from small grants to continue their enrollment or to re-enroll in school. The grants are supplied through institutional funds.

UTSA targets student populations that have balances due and have indicated need by way of their emergency aid process and, most recently, through the COVID emergency relief fund application process. The populations of most concern are students who pause their education, are not making progress to their degree, and are in danger of stopping out.

Students learn about the program through a Financial Aid representative or through seeking out assistance through UTSA's One-Stop Center. To be eligible for institutional funds, students must be enrolled, in good academic standing, and demonstrating progress towards their degree. Institutional funds are utilized on top of existing financial aid.

UTSA is exploring ways to develop a good measurement system to assess the impact of the program. Thus far, it seems that program has had anecdotal success, keeping several students from stopping out by assisting them with the means to continue their enrollment according to Lynn Barnes Jr., Senior Vice Provost for Strategic Enrollment.

UTSA is currently reviewing ways to formalize the program and institutionalize the funds as either a separate funding source or as a part of a current pool of emergency aid funding which was sourced and established in response to the pandemic.

Innovation 3: Institutional debt forgiveness

Institutional debt forgiveness is an innovative strategy that advances the universal goal of affordable college for all while improving degree completion and reducing student debt. Early data show that groups most likely to benefit from this strategy are students with high financial need and students of color.

Institutional debt forgiveness programs help students struggling with their finances persist and graduate. In most cases, these programs are offered to incentivize those who have left the university without obtaining a degree to return and finish their credential. The debt forgiven is "institutional debt," owed directly to the university (not

debt that the student may owe to a bank or the federal government), and includes unpaid tuition and fees, fines for late or non-payment, interest, collection fees, and parking citations (Sheffer, Palmer and Mattei, 2020). Although these debts are often small, they can easily derail a student's progress by triggering a registration hold, which prevents the student from registering for classes; a transcript hold, which blocks the release of a student's transcripts to a new institution of higher education or an employer; or other consequences for students who carry a balance. The amount of debt forgiven, and the terms, vary by institution.

Students with some college but no degree are an important population for many institutions. Over the past two decades, more than 37 million students left college with no degree (Sheffer, Palmer, Mattei, 2020). These students are often very close to meeting requirements for graduation but face barriers to re-enrollment including outstanding balances (Sheffer, Palmer and Mattei, 2020). Many are students of color and have high financial need (Sheffer, Palmer and Mattei, 2020; Salanger, Davis, and Ajinkya, 2019). They are also in a perilous position when it comes to debt. Eight times as many students with some college but no degree defaulted on their debt within 12 years compared to those who completed their degrees, and default rates were nearly twice as high for low-income borrowers (Deller and Parr, 2021; Dynarski, 2015).

Universities with debt forgiveness programs have described their efforts as a "win-win" with benefits for both students and institutions. Wayne State University described their "Warrior Way Back" debt forgiveness program as a "moral imperative," and an opportunity to do right by students who have left the university. The University of Cincinnati, which has focused its program on first-time, Pell-eligible freshmen who are struggling with the financial aid process, wanted to improve fall-to-spring retention and ensure continued enrollment. Debt forgiveness can also help the university with its bottom line through recaptured tuition revenue.[1] Wayne State reported an ROI of more than $1 million in the first two years, Cleveland State University reported "substantial new revenue," and the University of Louisville's relatively small pilot program in Spring 2020 returned just over $20,000 to the university.

> **Debt forgiveness programs are win-win for students & universities.**

> **"It's definitely helped us identify that we're supporting a deserving population. Our students stopped making progress toward graduation and we want to do right by them by providing new connections and opportunities at WSU. We promised to guide our students along the way to get their degree and if they come back, we feel like they're giving us a second chance."**
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> Amanda Rosales, Project Director, Division of Enrollment Management, Wayne State University

[1] The Institute for Higher Education Policy (IHEP) provides a re-engagement investment calculator to help institutions make the business case for institutional debt forgiveness: https://reengagementcalculator.ihep.org/

The Affordability Fellows reported several determinants of success, including strong leadership support and buy-in, cross-campus partnerships (e.g., with enrollment management, financial aid, and the bursar's office), and support services for students—including advising and other aid to meet basic needs. To evaluate impact, the universities measured re-enrollment (or continued enrollment at the University of Cincinnati), graduation, and return on investment to the institution. Although these programs are very new, with only two years or less of data,[2] preliminary results suggest that institutional debt forgiveness programs are one tool among others that universities can use to improve affordability and reduce overall student debt—particularly for returning adult students and those with high financial need.

Success Highlight: Wayne State University's Warrior Way Back

Wayne State University's Warrior Way Back program is the longest-running institutional debt forgiveness program among the Affordability Fellows and has been highlighted by journalists and other researchers for its innovative design and promising results (Salanger, Davis, and Ajinkya, 2019). Located in the heart of Detroit, Wayne State University serves a student population that is more than 50% Pell-eligible and was the 2018 winner of the Association of Public and Land-grant Universities (APLU) Project Degree Completion award for its progress improving graduation rates.

Launched in Fall 2018, Warrior Way Back used National Student Clearinghouse data to identify students who had a 2.0 minimum GPA, an outstanding balance of $1,500 or less owed to the university, and who had not been enrolled for two or more years. For students who re-enrolled, debts would be forgiven in lump sums over three consecutive semesters or at graduation. Students must remain enrolled and maintain satisfactory academic progress. Eighty-eight percent of students in Warrior Way Back are students of color, nearly 60 percent have high financial need, and a majority are seniors within reach of graduation.

Since the program began, more than 200 students have re-enrolled and 43 have graduated, with more expected to graduate in Spring 2021. Although the debts forgiven are relatively small, the university's commitment to reenrolling students has inspired them to return and finish what they have started, increasing student and community trust in the institution. With a more than $1 million return on investment to date, the program is a win-win for both students and the university.

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[2] Since its launch in 2018, the Warrior Way Back program at Wayne State University will have graduated a third of students who re-enrolled. At the University of Louisville's pilot debt forgiveness program, 12 students re-enrolled in Spring 2020 out of a target population of 171, and one student has graduated. Cleveland State University re-enrolled 18 students in Fall 2019, resulting in 1 graduation and 8 persisting into Spring 2020.

Innovation 4: Affordable learning materials

High textbook and course material prices are an additional financial barrier to entry, persistence, and completion—and may come as an unexpected expense for students who are first in their family to go to college. The development and provision of affordable learning materials help students manage these costs.

Textbooks and course materials present a critical cost burden to students. On average, students at public four-year universities spend $1,230 a year on books and supplies alone (Ma, Pender & Libassi, 2020). These costs are often not covered by traditional aid, with more than one-third of financial aid recipients in the spring 2018 term reporting that their financial aid covered none of their textbook costs (Florida Virtual Campus, 2019). These cost barriers lead to detrimental impacts for students, with one survey finding that 64% of students chose not to purchase the required textbook, 43% took fewer courses, 41% chose not to register for a specific course, 36% earned a poor grade, and 23% dropped a course as a result of the high cost of textbooks (Florida Virtual Campus, 2019).

According to new research, student spending on college textbooks and digital course materials has steadily declined in recent years (NACS Report, 2020), in part due to the proliferation of Open Educational Resources (OER) and other affordable learning solutions. The Affordability Fellow institutions are implementing a variety of on-campus programs to make course materials more accessible and affordable for students, especially those with high financial need. These strategies include:

- **Making traditional textbooks more affordable.** Textbook scholarships are small grants that students can spend on books and course materials. Cleveland State's bookstore voucher program provides a credit of $150 to continuing students who maintain a GPA of 3.0 or higher and earn at least 12 credits. University of Louisville is also piloting a bookstore voucher program for students with financial need. Textbook rental programs, such as the University of Cincinnati's Rent-a-Text program allow students to rent books for less than the purchase price.

- **Streamlined and inclusive access models.** Rutgers University is piloting Barnes & Noble College's First Day inclusive access model where every student has access to digital course materials at a below-market price on or before the first day of class within the Canvas Learning Management System. University of Cincinnati's includED model saves students 40%, on average, by leveraging student buying power and streamlining the purchasing process for students. Students are charged one course fee that includes access to all these materials.

- **Open Educational Resources (OER).** OER are educational materials made freely and legally available on the Internet for anyone to reuse, revise, remix and redistribute, and are available anytime, anywhere (Wickline, 2013). Several Affordability Fellow institutions have used adoption and development grants, payable to faculty members, to create or utilize OER in their classrooms. University of Texas at San Antonio's Adopt a Free Textbook program offers grants to faculty adopters of OER. Similarly, Cleveland State University's Open Educational Resources Development Grants, as well as Rutgers University's Open and Affordable textbook program provide grants to faculty to develop and adopt these materials.

Textbook affordability programs save students money and drive ROI.

The impact of these programs has been substantial. Many Fellow institutions have conducted their own cost savings and return on investment (ROI) analyses for their OER and textbook affordability programs. The University of Texas at San Antonio's OER program, which has supported 97 awards to faculty who have adopted OER in their classrooms over the past five years, has demonstrated more than $8 million in savings to students and an ROI of $56 for every dollar invested. At Cleveland State University, in Fiscal Year 2020 alone, 20 Open Textbooks were adopted, used, or created by 40 faculty advocates, resulting in $325,400 in savings to Cleveland State students.

Adoption of OER and other affordable learning materials has not been without challenges for these institutions. Educating both new and existing faculty about available grant resources takes time, and early adopters may feel isolated. However, since broader implementation of these programs, campuses have seen consistent increases in the use of alternative educational materials among all faculty. To ensure success, the Affordability Fellows recommended engaging faculty early and often; providing funding to incentivize faculty to create more OER; developing partnerships across campus units (including libraries, financial aid offices, bookstores, and Centers for Teaching and Learning); obtaining senior leadership support; investing in marketing and strategic communications to students; and staying current with new developments in the field. For example, the University of Texas at San Antonio partnered with OpenStax and a cohort of 15 other universities that are also growing open resources to share best practices for implementation.

Success Highlight: Rutgers University Newark's Open and Affordable Textbook Program

The Open and Affordable Textbooks (OAT) Program, run through Rutgers Libraries, is an incentive program that awards research funds to Rutgers faculty who make their courses more affordable for their students by using low-cost materials, library content, or open educational resources (OER).

The OAT Program awards research funds to full- and part-time faculty who are willing to:

- *Adopt:* Replace a traditional textbook with a free, low-cost, or open alternative
- *Innovate:* Replace a traditional textbook with articles, book excerpts, audio, or video that are licensed through Rutgers University Libraries, open access, or freely available online
- *Create:* Replace a traditional, high-cost textbook with one that they will design, author, and provide for free or at low cost to students
- *Enrich:* Augment a course that currently uses open and affordable materials through the addition of significant supplementary learning and/or instruction materials.

These resources are available to students at little to no cost. Students are encouraged to look for OAT classes in their course catalog and checking RU libraries for course materials.

As of June 2020, Rutgers University Libraries have issued 144 Open and Affordable Textbooks Awards to Rutgers faculty, which has brought an estimated $5.7 million savings to students across Rutgers campuses, roughly $1 million of which was from the Newark Campus.

Innovation 5: Industry partnerships

In response to growing local workforce needs and demand for affordably priced credentials, many institutions have partnered with local employers to offer tuition deferments, reimbursements, and other opportunities for students. These partnerships can be a win-win-win for universities, students, and employers.

Industry partnerships aim to provide students with funding, workforce experience, and skills training while allowing them to graduate with low or no debt. The partnerships benefit employers as well, who save time and money on recruitment and employee training. For many, these partnerships also help meet local workforce development

goals, raising local educational attainment levels, and helping to retain employers in the community (Cappelli, 2002). They may also limit the amount of debt students take on, as students receiving employer-sponsored tuition benefits are less likely to take out loans than students supported by traditional financial aid (Tran and Smith, 2017).

> **"When you look nationally at the shortfall of something like 36 million jobs [that] will go unfilled because people don't have bachelor's degrees or [the appropriate] post-secondary credentials, Detroit is truly a microcosm of that. We don't have the workforce we need to fill the jobs we have. There's a huge gap."**
>
> Dawn Medley, Associate Vice President of Enrollment Management, Wayne State University

Some of the Affordability Fellows' partnerships allow employees to take advantage of tuition benefits at their workplace, such as the University of North Texas' partnerships with JP Morgan Chase and Cinemark. The university may bill the employer directly, in some cases providing a discounted rate. Another option is to defer tuition payments since up-front payments pose a barrier to access for working students. The University of Louisville's Metropolitan College Program provides students with tuition deferment if they sign an agreement before the tuition deadline and work through the commitment date of each semester. In addition to tuition, students work and earn wages, bonuses, employment benefits, and a book stipend. Meanwhile, Wayne State University's pilot partnership with the City of Dearborn similarly allows students to work and earn wages, which are used to pay tuition at the end of the semester or term. Other partnerships intentionally combine experiential learning with academics—for example, the University of Cincinnati is renowned for its co-op program in which students work and earn money while receiving academic credit and gaining employable skills.

Industry partnerships target a broad range of students. Prior research shows that students using employer-sponsored benefits are more likely to be first-generation, older, and married with children (Faulk and Wang, 2014). Among the Affordability Fellows interviewed, most reported their students to be primarily degree-seeking, not simply looking to add skills. These students may have stopped out and re-entered the educational system multiple times. In some cases, students are unemployed or underemployed and are looking for a pathway to a job as well as a degree. Some programs target and recruit all prospective students; others recruit company employees who are eligible for tuition benefits. Overall, students in these programs are trying to minimize or eliminate their educational debt in their journey to obtain a credential.

To build a successful partnership, Affordability Fellows recommended seeking out engaged, trustworthy, and flexible industry partners from the very beginning. Commitment to employees' continuing education and success should be built into

Industry partnerships create affordable pathways to jobs & degrees.

Most successful programs include services such as coaching & mentoring.

the organization's culture. Successful programs message a clear pathway for students, establish strong communication among partners, and have a committed team of leaders that engage diverse stakeholders. For example, the University of North Texas has a dedicated Vice President for Digital Strategy and Innovation whose job is to develop and promote these industry partnerships. Programs are most successful when connected to other wraparound services, such as coaching and mentorship support, as seen at the University of Louisville's Metropolitan College. Programs also succeed when they consider and prioritize inclusive policies (e.g., childcare for working students).

> **"I think it's important that you have buy-in from all areas. You must have an employer who has an education focus and a community focus...When the partnership comes to the table, it's not a tit-for-tat kind of thing. Everyone has an interest in the success of all students."**
>
> Courtney Abboud, Executive Director of Metropolitan College, University of Louisville

The primary challenge with these partnerships is their unique nature—because they involve relationships with local stakeholders, they are difficult to replicate and scale. Trust and buy-in takes time to develop and is labor-intensive, requiring dedicated investment and personnel. These costs, combined with tuition discounts, can limit return on investment for the university. Finally, campuses must be mindful of creating differential access to opportunities and potential for growth that will exacerbate existing inequities.

Success Highlight: University of Cincinnati's co-op programs

The University of Cincinnati is renowned for its co-op program, providing more than 6,000 co-op placements with more than 1,300 companies annually. Co-ops are paid work experiences at real employers, and students switch off between working one semester and studying the next. The average earnings for one semester of co-op exceeded $11,300 per student in 2020. Students who are in a co-op don't pay full tuition but are full-time students eligible for federal aid. Many colleges and academic programs have a mandatory co-op— or several—as part of their degree requirements, and about half of University of Cincinnati students will participate in a co-op before they graduate.

The co-op programs are open to all students and required for students if a co-op is integrated into their degree program. Although the co-op work experiences are paid, they can still be challenging for low-income students who need to fund tuition, fees, and other expenses—particularly international co-ops that require a large up-front investment. Larger companies, including General Electric and Procter and Gamble, have begun creating scholarships to increase access specifically for underrepresented students.

The co-op programs may have an impact on student debt levels: during one of the Fellows calls, the University of Cincinnati team shared that their average student loan indebtedness is 12.2% lower than at peer institutions. The co-ops are also viewed positively by students—93% of co-op participants reporting that their experience was good or excellent; these positive ratings are reflected in alumni surveys as well. Employers value the program, as it provides them with opportunities to test out students as employees. Building these relationships early on helps students navigate into full-time jobs upon graduation, and strengthens recruitment, retention, and graduation outcomes. The University of Cincinnati is in the process of expanding its co-op offerings and will soon offer part-time and "micro" co-ops as options for students.

Success Highlight: University of Louisville's Metropolitan College UPS Partnership

University of Louisville's Metropolitan College program is a long-standing state workforce development partnership with UPS that provides eligible Kentucky residents access to a tuition-free post-secondary education and employment opportunities. The program began in 1998 when UPS, the largest employer in the city, was looking for a solution to costly employee turnover. The University of Louisville, Jefferson Community and Technical College, and the city of Louisville came together to develop a partnership that would meet the needs of both sides. Since the program's inception, it has helped more than 21,500 students pursue a post-secondary credential.

Student employees work about 20-25 hours a week in exchange for not only $14.50 per hour as their starting wage, but also a tuition deferment and an academic bonus. Unlike some workforce development programs, employees receive a deferment of tuition rather than a reimbursement, notable because students often do not have the funds to pay tuition costs up front. In addition, participants receive a textbook reimbursement, have access to full-time worker benefits such as healthcare, and receive individual career counseling. While employees commit to a semester in the Metropolitan College program, they are averaging 163 weeks of work. This is an accomplishment for UPS, which was previously seeing employee turnover every 8 weeks.

Over 2,000 students participate each academic year, half from University of Louisville. Most program participants are middle-income students who would not have access to funds without this program and 30% are Pell-eligible. Of the 120 Kentucky counties, 100 have participants in the program. Almost 100% of Metro College Students self-report having developed essential work skills during the program while 96% of Metro College graduates would recommend the program. To date, more than 7,691 individuals have earned over 10,120 post-secondary credentials, demonstrating that the program is succeeding in helping Kentucky residents achieve post-secondary success.

Other innovations

Six of the Affordability Fellow institutions reported accepting funds from Individual Training Accounts (ITAs). Established under the Workforce Investment Act of 1998, ITAs are a voucher that individual students can choose to spend at eligible training providers, including universities (Mathematica Policy Research, 2012). ITAs are targeted toward displaced, unemployed, and underemployed workers, and are managed by local Workforce Investment Boards (Public Policy Associates, 2004). Research on their efficacy has been mixed; although individual students may do well in the program, the investments are too small to impact the large-scale workforce disruptions that policymakers intended to address (Eberts, 2010). When asked about the programs at their universities that accept ITAs, most of the Fellows had little information to share; the University of Cincinnati reported that across all of their branch campuses, only 54 students since Fall 2016 had used an ITA to pay for their education.

Income Share Agreements (ISAs) were identified by several Fellows as an innovation of interest. Originally proposed by economist Milton Friedman in 1955, an ISA allows students to receive funding for education expenses in exchange for a percentage of their future income for a specific period (Berman, 2019; Hurley & Harnisch, 2014). Purdue University established its Back a Boiler ISA in 2016, and the University of Utah its Invest in U program in 2019. Often backed by philanthropic dollars, ISAs are marketed as an innovative alternative to loans that aligns financing with students' actual ability to pay (Taylor & Garlow, 2019; Tharp, 2019; Walshok & Shapiro, 2019). Offering ISAs may help a university advance its retention and degree completion goals, as the ISA option provides a pathway for students who have stopped out, reached their loan caps, or lack family support to complete their education (Ritter and Webber, 2019). Recent evidence also suggests that ISAs may aid recruitment by signaling educational quality, future employment success, and peace of mind for risk-averse students (Ritter and Webber, 2019). Critics, however, worry that ISAs are just another form of private loans with fewer regulations and misleading or possibly discriminatory terms (for example, some schools vary the terms of their income share agreements by major choice, a measure that is correlated with race and gender) (Berman, 2019). Ultimately, policymakers and institutions will need to impose rigorous consumer protections to ensure equitable outcomes for students.

Students exchange education funding for a percentage of their future income.

Discussion

Taken together, these innovations form a network of supports for getting students from diverse backgrounds into and through college. One-Stop Centers are for all students, but contain information about targeted services, supports, and emergency aid options for students who are challenged to meet basic needs such as housing, food insecurity, clothing, and other costs of living. They also reveal the "hidden curriculum" (or assumptions about how to navigate the college environment) that first-generation students struggle with so mightily when they arrive on campus. Similarly, affordable learning materials and completion and retention grants are of particular value for low-income students struggling to pay for textbooks or find the money they need to pay tuition for their final semester.

Institutional debt forgiveness and industry partnerships are targeted, in most cases, to working students who may have some college but stopped out of their degree programs. Debt forgiveness not only improves affordability and reduces student debt burden, but also demonstrates to students that the university is invested in their success and that they belong in college. By engaging employers in the education of their workers, industry partnerships and co-ops are supportive innovations that strengthen student educational outcomes, improve affordability, and support development of marketable skills that students can use to build sustainable careers.

Targeted Universalism: tool for reimagining financial aid innovations.

Universities considering adopting these innovations may first want to consider their broader strategy around affordability and student success and pilot innovations that are most relevant to the needs of the students they serve. In anticipating the long-term repercussions of COVID-19 and resulting economic recession for vulnerable minoritized students and their families, we introduced Targeted Universalism (TU)[3] as a tool for reimagining financial aid policies under a university-generated universal goal. Fellows discussed the TU framework as a roadmap for universities to set universal affordability goals, evaluate performance of their student populations including targeted groups, and identify areas of greatest need for support.

In a February 2021 group call, Fellows reflected on the applicability of the TU framework to their respective institutions, with the concept of student belonging in mind. For example, Fellows discussed how extending aid across Estimated Family Contribution (EFC) bands that do not traditionally qualify for financial aid includes students from middle-class families who may be struggling to remain enrolled.

> **"[We limit the middle-class category], which really is one paycheck away, which we've seen from the pandemic. A lot of students have resurfaced, and we've had to do a lot of changes in family circumstances because one parent has lost income and it has shifted how their household and their financial aid eligibility would look. [...] I really want to see affordability across the board because everyone essentially needs assistance, some more than others."**
>
> Natalia Morriseau, Director of Financial Aid, Rutgers University, Newark

[3]   For a primer on Targeted Universalism, visit: https://belonging.berkeley.edu/targeteduniversalism

> "We're finding that we're losing students who are just outside of Pell grant eligibility, say, all the way up to about $11,999 EFC range. [...] We're also finding students who are outside of Pell grant eligibility, who are also first-generation that we're losing them at a higher rate than expected. Adjustments to existing need-based aid packaging strategies are being made quickly. VCU wants to support and improve affordability for these students to demonstrate our commitment to access."
>
> Norm Bedford, Associate Vice President for Student Financial Services, Virginia Commonwealth University

As part of a capstone convening for the Affordability Fellows in March 2021, Wendy Ake and Stephen Menedian from the Othering & Belonging Institute facilitated a workshop on applying the framework of Targeted Universalism in higher education. Results of the workshop are summarized in Table 2 below:

Table 2. Key themes from Fellows workshop on Targeted Universalism

Question One: Identify profiles or categories among the people and students you serve. What critical unmet needs exist, and why?

- Priority groups included first-generation students, low-income students, student parents, transfer students, older adult learners, debt-averse students (especially among religious groups), academic "stopouts" (students who have left the university but intend to return), undocumented students, and housing insecure students.
- First-generation students' needs included unfamiliarity with the university environment and insufficient family supports.
- Other unmet needs across these populations included financial literacy, navigating the FAFSA and application process, and understanding their obligations for tuition, fees, and other costs.

Question Two: Share 2-3 different strategies that are used among the programs represented in your group. What universal goal is the strategy designed to achieve? What has worked so far? What hasn't?

- Identified strategies included institutional debt forgiveness, emergency grants, and tuition deferrals.
- The Fellows also highlighted programs that meet students' basic needs (for example, Wayne State University's HIGH Program), and technology needs (for example, procuring laptops for students).

Question Three: What are some areas for additional growth and program improvement?

- Student housing, including more emergency housing assistance, prohibiting mid-semester evictions, and reducing or eliminating rent increases for student housing (often imposed by private contractors who manage housing developments).
- Ongoing issues of student food insecurity[4]
- The need for more staff in financial aid and counseling departments to ensure quality services are provided one-on-one to students and parents.

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[4]   For a deeper dive into food insecurity, see Perkins and Savoy, 2021.

Conclusion

Affordability Fellows acknowledged that re-imagining financial aid policies will require a deep understanding of the students they serve (rather than the "ideal" student), and innovative, adaptive thinking as student needs continue to evolve.

> **"We seem to continue to make decisions based on an ideal type traditional student that [we've] never served, but that's always been who we've wanted to serve…we're very much still a local and Kentucky-serving school and those students come with a lot of financial challenges."**
>
> Katie Adamchick, Acting Director of Student Success Center, University of Louisville

Although Fellows identified many unmet needs among student populations, the challenge remains to tailor additional initiatives and programs to meet the needs of specific student groups. As one participant noted, "routinized processes can be perfect, and we would struggle to implement new programs on a more individuated basis." As Drs. Ake and Menendian noted during the capstone workshop, "routine and bureaucratic rules are the enemy of equity" as they make it difficult to innovate responses to evolving needs in a dynamic environment and re-segment student populations to identify disparities.

The creation of a universal goal will require the input and engagement of students with financial need as well as practitioners and experts who can advocate for these students within and outside of the campus community. The experiences of the Fellows demonstrate the need for continuous innovation and in designing future student-facing programs. In addition, universities should consider race and ethnicity, not just socio-economic status, when examining disparities in student outcomes. Capacity and resource limitations will continue to be a challenge. By identifying and naming inequities, however, committed practitioners will be armed with the data necessary to push for change across the university and at multiple levels of leadership.

Although this research has demonstrated limitations, the collaboration among Fellows adds value to innovation occurring on campus and advances the goal of scaling effective practices. The results of this research will add to the field around making college more affordable and enable future change efforts. APLU and the TIAA Institute hope that the Affordability Fellows will continue to work together and collaborate, through initiatives like Powered by Publics and others, to address the myriad affordability challenges students face.

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