



The Student Voice Report:

How Financial Aid Impacts U.S. Higher Education Enrollment and Retention

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Executive Summary

The role the financial aid process plays in student success extends beyond the student's eligibility for loans, scholarships, and grants. It affects enrollment and retention in more ways than simply affordability — impacting college choice even more than an institution's offered programs. Student health and welfare, including access to basic needs and mental health, also play a part.

A recent survey of 1,500 U.S. college students conducted by Ellucian in March 2024, in partnership with EMI Research Solutions, sought to determine the relationship between postsecondary education students and financial aid to help higher education institutions recognize trends and accelerate student success. The survey revealed insights into college affordability and more, including student expectations of technology at the institutions they have attended.



TAKEAWAYS

Long turnaround times for processing financial aid, unclear offer letters, and the struggle to understand financial obligations **impede timely enrollment** for students and the administration.

Financial uncertainty negatively affected students' mental health and academic performance, causing retention rates to slip.

While only a minority of students expressed confidence in understanding financial aid offer letters, those letters proved to be the deciding factor in college choice, even outpacing the programs offered by those schools. Long turnaround times for processing financial aid, unclear offer letters, and the struggle to understand financial obligations impede timely enrollment for students and the administration. Ultimately, students need help to complete the process, which raises a significant barrier to matriculating students.

Retention was also tied closely to financial aid. Financial uncertainty negatively affected students' mental health and academic performance, causing retention rates to slip. Meanwhile, students whose financial situations change are often selected for financial aid verification. Just like lengthy financial aid processes impact their initial enrollment, inefficient verification processes hurt retention.

The Student Voice Report revealed a significant disconnect between students' expectations for technology solutions that would support their educational journeys and the reality of the tools provided by their institutions. The overwhelming majority of students expected their institutions to offer them access to all their student account services in one place. Most students were unsatisfied with the digital tools provided for their student experience.

Students expect technology to assist them in getting their financial aid needs met promptly and efficiently. The Student Voice Report results examine the major pitfalls for students gaining financial aid and actionable steps institutions can take to improve student satisfaction while improving enrollment.

Introduction

TAKEAWAY

For many students, college choice rested on a difference of just **\$5,000** in financial aid.

Financial uncertainty continues to be the largest detriment to higher education. Students face uncertainty with the financial aid application process and lack adequate communication regarding available scholarships and grants.

The Student Voice Report provided insight into the mind of the higher education student and their attitudes toward and experiences with financial aid. Results showed several aspects of the financial aid process weighed heavily on the students' minds, causing negative trends in mental health, declining grades, and even leading to students choosing between paying for college and basic needs like food and clothing. For many students, college choice rested on a difference of just \$5,000 in financial aid. The survey even revealed surprising information about its respondents' age and economic demographics, with high numbers of first-generation students and adult students among the group.

Key Findings

Students need more help finding and accessing financial aid.

44% of students surveyed said they'd switch their top choice school if offered just \$5,000 more in scholarships. With 95% of students surveyed identifying as Pell-eligible or middle-class, it's no surprise that helping students locate one-of-a-kind scholarships or making it easier to qualify for a little bit more financial aid goes a long way towards keeping that institution competitive.

Funding a college education isn't just about securing the money and receiving it promptly. **According to students, 22% would choose another institution after waiting just two weeks for their preferred school's paper-based financial aid processes to be completed. This number skyrockets to 73% after a four-week wait.** Considering many schools take six to eight weeks to process financial aid documents manually, this creates a problematic situation — by the time the school finishes handling paperwork, most prospective students will have explored other educational options.

Institutions need infrastructure for on-demand student support.

About three-quarters of students expressed frustration with not having a method to receive immediate financial aid feedback, while **83% said they valued having 24/7 support for financial aid questions.** Today's students receive near-instantaneous support on their mobile devices for everything they purchase. Yet the traditional higher education experience operates during normal business hours, making it difficult to get needed support.

The desire for quick customer service is further emphasized by the survey results. **44% of survey respondents said they would hang up after waiting 15 minutes to speak with someone at their institution's financial aid office.** As limited financial aid staff time is increasingly in demand, the expectation to perform a consumer-grade level of customer service may seem challenging. However, the advent of Artificial Intelligence (AI) technology frees up valuable staff time to answer repetitive and mundane questions while improving student satisfaction.

Students seek schools adopting innovative solutions for daily needs.

The Student Voice Report found that **92% of students expected all student account services to be accessible from one place, with only slightly fewer students — 88% — expecting mobile access to them.** However, current satisfaction with an institution's existing digital infrastructure is low. When asked, "How satisfied are you with the availability of digital tools/technology for navigating your student experience?" **just 26% of students stated they were incredibly satisfied.**

These statistics provide a holistic view of the relationship between students and higher education technology in today's world. Most students won't wait more than a month for their financial aid paperwork to process; nearly all expect to be able to access their student account services in one place, preferably on a mobile device; and they believe their institutions are currently falling short of delivering satisfactory technology solutions to meet those needs.

How Financial Aid Impacts Enrollment Decisions



of respondents said the financial aid amount awarded to them, and the overall financial aid process, impacted why they chose the college they did.

Maintaining and growing enrollment is fundamental to building a thriving campus with successful students. According to students, to do so, higher education institutions must provide timely financial aid processing that meets students where they are and offers them an attractive aid package with clear language and accessible avenues to pursue scholarships and grants.

The Student Voice Report found that 76% of respondents said the financial aid amount awarded to them, and the overall financial aid process, impacted why they chose the college they did. It was the top driver in their enrollment decision, outpacing parental influence, location, campus culture, and even the degree programs offered. While strong academic programs remain crucial, colleges that struggle with timely financial aid processing and providing clear cost information risk losing students to competitors who prioritize these aspects.

Further survey results also lend credence to the weight of financial aid on college choice. Students said that scholarship money impacted their college choice, with 44% saying they'd switch their top choice school if offered just \$5,000 more in scholarships. **This demonstrates that even a relatively small amount of award money makes a substantial difference in the decision-making process.**

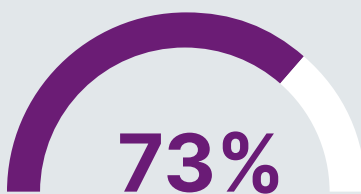
TAKEAWAY

While strong academic programs remain crucial, colleges that struggle with timely financial aid processing and providing clear cost information **risk losing students** to competitors who prioritize these aspects.

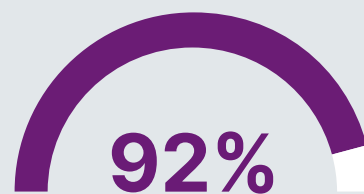
Aside from the actual dollar amount associated with financial aid, students also said the timeliness and efficiency in their paperwork processing played a part in enrollment at institutions. One survey question asked students to consider the following: If their first-choice school accepted them and the student filed their financial aid paperwork, how long would they wait to hear back before considering enrollment at a different institution? According to respondents, 22% would enroll elsewhere after waiting just two weeks for their first chosen school to process their paperwork. That number jumps to 73% once a student has waited four weeks for their financial aid documents to be processed, and if an institution takes eight weeks to process that same paperwork, nearly all students — 92% of them — would enroll elsewhere. **Given that many institutions take six to eight weeks to complete paper-based processes, it leaves them vulnerable to cancellations as most prospective students will look elsewhere for education by the time the school completes its financial aid paperwork.** The results indicate a dire need for institutions to reduce paper-based processes while dramatically automating various workflow steps. Streamlining the experience for prospects allows institutions to build a more robust funnel while allowing students to understand the true cost of college so they can make a more informed decision.



of students said they would enroll elsewhere if paperwork delays exceeded two weeks.

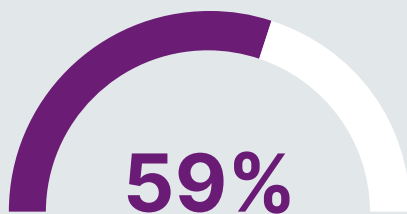


said they would enroll elsewhere if aid processing took more than four weeks.

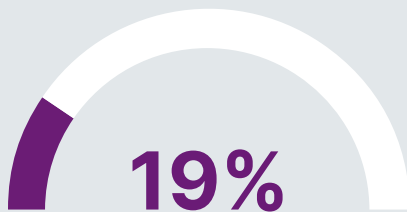


of respondents would enroll elsewhere if processing surpassed eight weeks.

Retaining Students with a Competitive Financial Aid Process



of surveyed students considered quitting higher education due to financial stress.



of survey respondents dropped out due to financial uncertainty.

Financial aid plays a major role in retention as well. Nearly three in five students surveyed said they considered dropping out during their higher education journey due to financial stress. One in five survey respondents actually did drop out, citing **financial uncertainty as the primary reason. The second most popular reason was health struggles, most of which were mental health, while students noted the third reason being academic hurdles.**

Students' top stressors related to financial uncertainty include

- 1 Having to hold down a job while taking classes
- 2 Difficulty understanding college costs
- 3 Inability to find scholarships

Only one in five students said they were "incredibly confident" they understood the details of their financial aid offer letter. Since these agreements have a profound impact on a student's ability to afford postsecondary education, it creates an urgent need for financial aid administrators to create clarity around offer packages.

Access to financial aid assistance also stood out in the survey. About three-quarters of students expressed frustration with not having a method to receive immediate financial aid feedback while **83% said they valued having 24/7 support for financial aid questions.** These findings reveal a strong student desire for immediate access to financial aid information specific to their student account. An informed student is a happy student, or at least a less stressed one.

TAKEAWAYS

44% of survey respondents said they would hang up after waiting **15 minutes** to speak with someone at their institution's financial aid office.

More than half of the 1,500 students surveyed said they had to choose between making college payments and basic needs like food and clothing.

Nearly **four out of five** students said they had suffered negative impacts on their mental health due to financial stress.

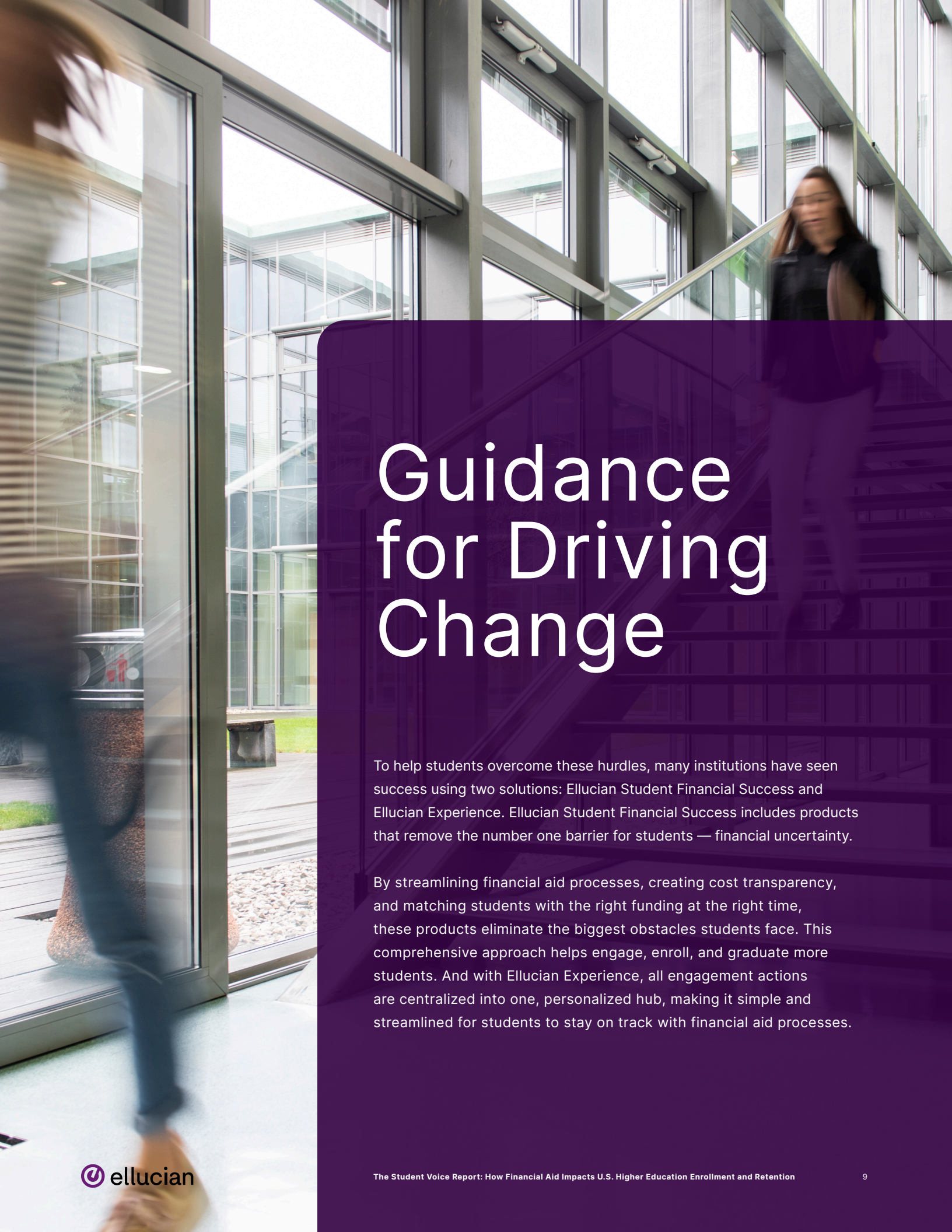
Survey results also indicated that few respondents will tolerate long hold times on the phone. While many generations are accustomed to being placed on hold by, or waiting to speak with, a customer service representative in most industries, 44% of survey respondents said they would hang up after waiting 15 minutes to speak with someone at their institution's financial aid office. **This response is indicative of broader consumer expectations, which students are now coming to expect from all customer service touchpoints — including financial aid departments.**

AI plays a significant role in helping students understand and access important financial aid information, which is a key priority for students. It's more than just receiving prompt communication. More than half of the 1,500 students surveyed said they had to choose between making college payments and basic needs like food and clothing.

All the issues related to financial uncertainty tie into the remaining two of the top three reasons students dropped out: health struggles — which were primarily mental — and academic hurdles.

Nearly four out of five students said they had suffered negative impacts on their mental health due to financial stress, which can trigger or contribute to anxiety, stress, depression, or other psychological ailments. The stress coming from the financial cost of higher ed plays a significant role in a student's mental health while in attendance and is only worsened by academic pressures, trying to find a sense of belonging, and navigating various tasks related to their enrollment. Institutions can help with some of these stressors, and in turn, improve retention.

Providing clarity around the cost of college, round-the-clock access to financial aid information, and improved access to available scholarships make for considerable economic and psychological benefits to students. This, in turn, means higher retention rates for colleges and universities, not to mention a happier, healthier student body.



Guidance for Driving Change

To help students overcome these hurdles, many institutions have seen success using two solutions: Ellucian Student Financial Success and Ellucian Experience. Ellucian Student Financial Success includes products that remove the number one barrier for students — financial uncertainty.

By streamlining financial aid processes, creating cost transparency, and matching students with the right funding at the right time, these products eliminate the biggest obstacles students face. This comprehensive approach helps engage, enroll, and graduate more students. And with Ellucian Experience, all engagement actions are centralized into one, personalized hub, making it simple and streamlined for students to stay on track with financial aid processes.

TAKEAWAYS

Rowan University in New Jersey sent out offer letters using Campus Communicator for fall 2024 and saw a **23% annual increase** in student deposits.

Jacksonville State University in Alabama implemented Clear Cost in just three months leading to a **27% increase** in net price calculator completions.

Make College Cost Transparent

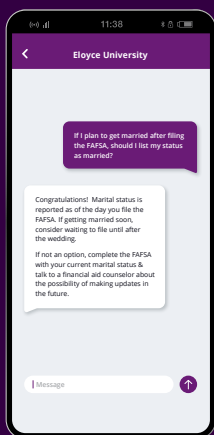
A major step toward easing financial uncertainty is to make college costs transparent to students and their families. This can be done in several ways. One method is redesigning offer letters with greater clarity using Campus Communicator, a comprehensive engagement tool that cuts through cost complexity and encourages positive financial aid decision-making. Rowan University in New Jersey sent out offer letters using Campus Communicator for fall 2024 and saw a 23% annual increase in student deposits. Despite the delays caused by the 2024/2025 FAFSA updates, Rowan University's results are particularly impressive, demonstrating the ability to achieve success even during challenging times. Institutions can also improve communication around the cost of college with Clear Cost, a personalized net price calculator that not only encompasses all cost factors but also engages prospective students to increase the qualified pool of applicants. Jacksonville State University in Alabama implemented Clear Cost in just three months leading to a 27% increase in net price calculator completions.

Another way to make college cost more transparent is to implement a 24/7 support system for financial aid inquiries, providing the type of round-the-clock access that today's students find critical. Virtual Advisor offers quick time-to-value with AI-powered advising designed to guide students through the financial aid and enrollment process while reducing email and call volume. Pima Community College in Arizona deployed Virtual Advisor across campus as its virtual assistant in just under three months.

Simplify Financial Aid Processes

One of the most compelling statistics in The Student Voice Report is students' lack of patience with long processing times. Student Forms automates financial aid to shorten cycle times and process aid consistently. By automating and simplifying workflows, Student Forms reduces institutions' compliance risk and boosts financial aid completion. Bucks County Community College in Pennsylvania saw a dramatic improvement in processing Satisfactory Academic Progress (SAP) appeals using Student Forms. The digital workflow replaced slow paper-based processes, streamlining communication and expediting decisions to mere minutes.

PRODUCT SPOTLIGHT



Virtual Advisor's library of 850+ curated questions answers up to 80% of common student questions in 100+ languages.

TAKEAWAY

Unspent funds at California State University, Bakersfield, **dropped from 20% to just 3%**, while the school noticed a simultaneous rise in unique students who received at least one scholarship by 109%.

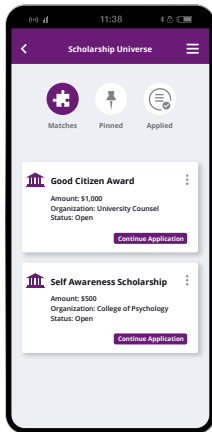
Once processing times have been brought up to speed with student expectations; institutions should provide an online assistant for students to track their financial aid status and receive immediate feedback. Virtual Advisor, the AI-powered virtual assistant mentioned earlier, includes a library of over 850 Ellucian-curated questions that can be answered in over 100 languages. It can instantaneously answer up to 80% of students' most common questions.

Finally, institutions can increase their scholarship opportunities by unlocking funding that already exists but isn't being leveraged to its full potential. Considering the relatively small amount of additional scholarship aid that would convince a student to attend a competing institution — just \$5,000 — an institution could increase its scholarships — such as in-state, needs-based, and merit-based scholarships — to remain a leading competitor in the market. Investing in a trusted scholarship software tool that can match students to applicable scholarships — and featuring this information prominently on admissions materials and websites — will get more scholarships and grants to those who need them most. Scholarship Universe offers these capabilities and more. Ellucian vets and maintains a database with more than 17,000 external funding sources for students. Unspent funds at California State University, Bakersfield, dropped from 20% to just 3%, while the school noticed a simultaneous rise in unique students who received at least one scholarship by 109%.

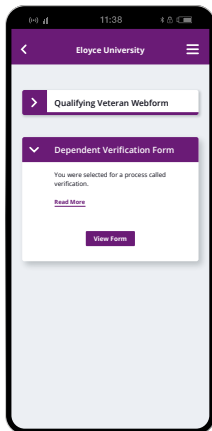
Reach Adult Students

The age groups of the student survey respondents also revealed an exciting clue to meeting student needs. **Just 42% of those surveyed included traditional-age college students, while adult students represented the majority at 58%.** Connecting with adult students will help higher education institutions close the gaps in enrollment, retention, and student expectations of technology.

PRODUCT SPOTLIGHT



Scholarship Universe automatically matches students with scholarships, including those suited for adult students.



Student Forms and Virtual Advisor pull valuable information from any SIS equipped with 850 curated questions.

With many having families of their own, an ongoing career path, or both, adult students differ greatly from their traditional-age counterparts. **As the enrollment cliff continues impacting higher ed, improving outreach to adult students who either still need to finish their degree or need additional skills to thrive in their careers will remain an important strategy moving forward.** Higher ed institutions can accommodate adult students or any other non-traditional learners by developing flexible financial aid strategies using modern processes. This entails addressing adult students' financial needs — which are often different from students aged 17-to-24 — and creating financial aid processes tailored for non-traditional students. Student Forms replaces paper-based workflows with a modern, mobile-friendly checklist for students. This keeps adult students on track and guides them step-by-step. Time is a precious resource for adult students, who often only have a few minutes to spare in between their full-time job or family life to make filling out forms a priority.

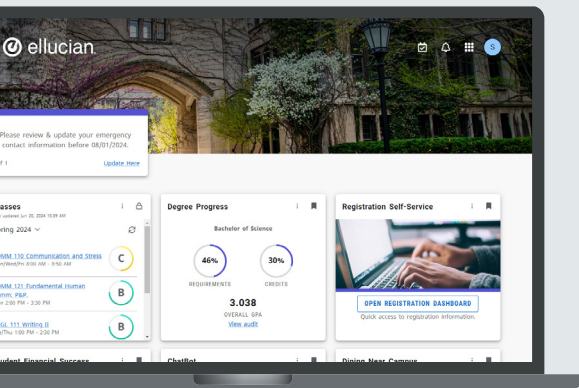
Scholarship Universe automatically matches students to scholarships that they might not have known existed, which can be searched and filtered by qualifications that may apply to adult students. Since adult students are likely to be occupied at their jobs during normal school office hours, they're also more likely to complete these tasks and ask questions at night or on the weekend. Virtual Advisor and Student Forms pull valuable information from any Student Information System (SIS) equipped with 850 curated questions. Given the unique needs of non-traditional students to access information during off-peak hours, these two technologies provide a critical advantage for institutions looking to improve retention.



88% of student respondents to the survey said they expect the ability to access systems from their mobile devices.

TAKEAWAY

At PennWest, staff deployed Experience and documented **1.2 million** Experience card interactions in a single semester without needing a disparate mobile app to access their student dashboard.



Improve Student Experience Through Technology

The gap between student expectations of higher ed tech solutions and what they feel institutions are delivering is considerable, but there are several ways to close it.

Too often, vital data in the postsecondary education sector is siloed into different departments and offices. This leads to disparate systems struggling to communicate, bottlenecked processes, and seemingly endless websites and accounts whose login information students must remember. Centralizing student account services alleviates these pain points for students and staff alike. Remember that **92% of students expect to be able to access all student account services in one place.**

Schools can make this happen by developing a user-friendly online engagement interface where students can access all their financial aid and other account information at any time. Ellucian Experience is a developer- and user-friendly hub that brings an institution's entire tech stack together under a single pane of glass so that it's simpler to navigate everyday tasks and access information. It provides a personalized, easy-to-use journey for every user including students, prospects, staff, alums, human resources, and finance.

Ellucian Experience provides a central interface with mobile device parity, allowing students to have everything they need on the go. 88% of student respondents to the survey said they expect the ability to access systems from their mobile devices. Offering this single presentation layer for students has led to greater adoption overall. At Pennsylvania Western University, or PennWest, staff deployed Ellucian Experience and documented 1.2 million Experience card interactions in a single semester without needing a disparate mobile app to access their student dashboard.

Improving the student journey through technology should include modernizing an institution's enrollment process. Students expect a "smart" workflow in every aspect of life; the enrollment experience should match this expectation, so they know they're starting their academic journey at a school as modern and user-friendly as everything else in the digital world. If schools can streamline the enrollment process with accessible online tools, students will immediately feel at home and in the right place.



PRODUCT SPOTLIGHT

Scholarship Universe pulls from a database of **17,000** vetted and maintained funding sources to mitigate compliant risk while offering a larger funding pool that wouldn't otherwise be available.

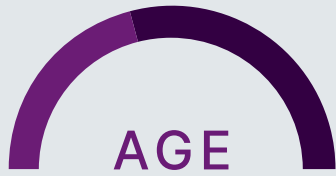
Ellucian Student Financial Success is a comprehensive and fast way to optimize enrollment. Campus Communicator offers clear communication of available aid while showing students true college costs. Additionally, Scholarship Universe pulls from a database of 17,000 vetted and maintained funding sources to mitigate compliant risk while offering a larger funding pool that wouldn't otherwise be available. To streamline the paper-heavy and long processing times students dread during the financial aid process, Student Forms increases financial aid completion by simplifying processes while guiding students through the action. These and the other tools minimize headaches for inbound students, faculty, and staff, and provide fast, consistent, and modern technological solutions.

The Student Voice Report confirmed that financial uncertainty is the chief barrier to enrollment and retention in the higher education sector. It showed that financial aid stressors are a daily presence in students' lives, from frustrating processes to worrying about whether to pay for school or buy groceries.

With changing demographics and expectations, schools need to prioritize students' financial aid needs and user experience to remain competitive in the market. By modernizing and streamlining various technological processes, schools have boosted enrollment, retention, student satisfaction, on-time completion rates, and overall student success.



SURVEY PARTICIPANTS



- 42% Traditional Age (Gen Z)
- 58% Adult Students



- 49% Caucasian
- 27% Black/African American
- 16% Hispanic/Latin American
- 8% Other



- 20% 2-Year Institution
- 26% Private 4-Year Institution
- 42% Public 4-Year Institution
- 10% Online Institutions
- 2% For Profit Institutions



- 42% of Survey Respondents

About Ellucian

Ellucian powers innovation for higher education, partnering with more than 2,900 customers across 50 countries, serving 22 million students. Fueled by decades of experience with a singular focus on the unique needs of learning institutions, the Ellucian platform features best-in-class SaaS capabilities and delivers insights needed now and into the future. These solutions and services span the entire student lifecycle, including data-rich tools for student recruitment, enrollment, and retention to workforce analytics, fundraising, and alumni engagement. Ellucian's innovative solutions, a vast ecosystem of partners, and a user community of more than 45,000 provide best practices leading to greater institutional success and achieving better student outcomes.

About The Survey Methodology

Ellucian surveyed 1,500 college students across the U.S. in partnership with EMI Research Solutions between February 26, 2024, and March 12, 2024. The sample ensured representation across various demographics, including age, race, and first-generation status, to provide comprehensive insights into students' financial aid experiences. 42% of respondents were traditional age (17-24 years old) and 58% were working adult students. 42% were also first-generation students. Of those first-generation students, 70% were working adult students, while 30% were traditional age. 49% of respondents identified as Caucasian, 27% Black/African American, 16% Hispanic/Latin American, and 8% identified as Other. The survey also collected information on household annual income; 39% of respondents said they were Pell Grant Eligible, 56% were Middle Class, 2% made over \$200K per year, and 3% were unsure. 20% of respondents were from 2-year institutions, 26% from private 4-year institutions, 42% from public 4-year institutions, 10% from online institutions, and 2% from for-profit institutions.