



ALC 2010 Power Practices Compilation

TOPIC: LEVERAGING FINANCIAL AID

Leveraging financial aid is a commitment to enhancing financial aid to make an independent school education sustainable for current students and accessible/affordable to new students. To ensure its financial aid sustainability, a school will apply sound financial planning and management, investigate and develop additional non-tuition revenue sources, and promote a culture of philanthropy within the community that will support a school's commitment to a healthy financial aid program to attract and retain mission-appropriate students.

Establish Guidelines and Policies:

- Survey families to get actual data about income ranges
- Track awards by size and income band to avoid middle class squeeze
- Work closely with Boards
- Give merit awards
- Are we need-blind no longer? Update principles of good practice
- Remain need sensitive and need aware
- Take an “econometrics” approach (20 years – yield bands, income bands)
- Clearly articulate what the financial aid policy means: “We want to be clear that applying for financial aid means you are applying for a finite amount of dollars; won’t accept you if we can’t fund you.”
- Carry tuition insurance
- Finish with returning students by early February; know exactly what is left for new students
- Partner with the development office; have students communicate with the benefactor of an endowed scholarship
- Establish boarding/day + sibling policies (especially for multi-level schools)
- Put CPA on retainer to help
- View the provision of aid not through a “diversity” lens but through an “access” lens

Help Educate Families:

- Conduct financial aid webinars that include mock filling out of applications
- SSS tutoring
- Develop an affordability brochure
- Establish an early priority deadline for returning families
- Provide clause in letter reminding families about the confidentiality of the award
- Establish clear guidelines (like colleges) about a student’s academic performance vis-à-vis financial aid

Understand that Financial Aid Doesn’t End with Tuition:

- Provide stipend for students for necessary items (class trips, etc.); stipend differs by grade level; stipend funded through faculty gift
- Establish an expendable fund, which may or may not come out of the financial aid budget, for laundry, clothes, bus tickets, etc.
- Raise and maintain a 100K “equity fund” for extras



Related Resources

A sample “affordability brochure” from Stevenson School (CA).

<http://www.stevensonschool.org/admission/documents/Affordability.pdf>

Lakeside School (WA) developed a financial aid calculator for families. Based on family size and income range, the estimator reports the average tuition for current Lakeside families receiving financial aid with similar characteristics: <http://www.lakesideschool.org/podium/default.aspx?t=128011>

Like most schools, St. Mark's School of Texas is facing a growing challenge related to supplemental expenses. They communicate policies each year to their financial aid community. A copy of that memo (mailed late each summer) is provided. See admission.org for PDF.

Erdmann, David. “The Science of Enrollment, the Art of Admission, the Business of Financial Aid.” *Independent School* magazine, Winter 2008. See admission.org for PDF.

Tuition Discounting: A Discussion for Independent Schools. Stephen Robinson, President Southern Association of Independent Schools, February 15, 2009. See admission.org for PDF.

Pat Bassett, President, NAIS – *The Value of Data Markers in Your Financial Planning* (Bassett Blog - October 1, 2007): <http://www.nais.org/about/article.cfm?ItemNumber=150079>

Evans, Robert. “Surviving and Thriving in Hard Times.” *Independent School* magazine, Fall 2008. See admission.org for PDF.

Bassett, Patrick. “A Game-Changing Model for Financially Stable Schools.” *Independent School* magazine, Spring 2010. See admission.org for PDF.

Davis, Donna. “Sliding Scales & Sibling Discounts: Alternative Financial Aid.” *Net Assets* magazine (NBOA), Winter 2010. See admission.org for PDF.

In God We Trust...Everyone Else Must Bring Data! By Mike Szydlowski, Director of Financial Aid, Woodberry Forest School (VA). *Memberanda*, Back-to School 2010 (Vol. 28, No. 1), p. 13. See admission.org for PDF.

Host a family financial aid night to educate families about the financial aid process. SSS provides a useful PowerPoint template for schools and groups of schools to use. See admission.org for PDF.

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