



The Connection After Graduation Think About Tomorrow™

Presented by:
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American Student Assistance




Background



Why This Project?

- Little research in this area
- Determine that relationship exists between a student's financial aid experience and propensity to give as alumni member



Scope and Generalizations

- A study of undergraduate populations who received baccalaureate degrees
- No profound differences between public and private university alumni giving
- May not necessarily apply findings to graduate/professional institutions



Trends in Debt and Gifting

- 49% of Bachelor recipients had debt in 1992-93, increased to 65% 1999 – 2000.
 - Choi % Li, 2005
- Although donations grew by 18% in 2005, “The percentage of alumni making gifts declined”
 - Kaplan 2007:3



Project History

- Sept. '04 – Aug. '05
 - Project was proposed, accepted and funded
- Sept. '05 – Apr. '06
 - Education of researchers, data samples nailed down
- May '06 – Aug. '06
 - Security accepted, survey constructed and mailed
- Sep. '06 – Feb. '07
 - Data analysis, draft report completed
- April, 2007
 - Final Report Issued



Miami University, Ohio

- American Student Assistance commissioned the "Report on Student Debt and Alumni Giving" which was prepared by the following parties:

Margaret Platt Jendrek (Marty) Ph.D., Professor of Sociology and Gerontology, Miami University, Oxford, Ohio.

Jean M Lynch, Ph.D., Dept of Sociology and Gerontology, Miami University, Oxford, Ohio



Methodology



Predicting Giving Behavior

- Attitudes and characteristics of students who graduated with loan debt to students who graduated without loan debt.
- Students who graduated with grant/scholarship money (including monies from their alma mater) to those who graduated without grant/scholarship money.



Two Samples

- *The American Student Assistance Sample*: data on clients who graduated with debt from a variety of institutions
All students with debt
- *The University Sample*: case study of a medium sized public university (16,000 undergraduates)
Students who graduated with and without debt



The American Student Assistance Sample

- A stratified sample of 1,040 cases were selected from the 1999-2000 and the 2004-2005 graduating classes.
- Strata are based on school size and type of school (public or private).
- An alumni survey was sent to the 2,080 selected cases



The University Sample

- With the cooperation of the Office Of Student Financial Assistance and the Registrar, selected all students graduating in the years 1999 – 2000 and 2004 – 2005.
- Students were then stratified on the basis of need and 1000 students selected for each year of graduation.



The University Sample

- In proportion to FAFSA form scores where 0 = did not file a FAFSA form, 1 = filed a FAFSA but no need, and 2 = filed FAFSA and need was assessed.
- For example, in 1999-2000 there were 3156 graduates.
- Need scores Number selected
- 0 (1966) 600
- 1 (311) 100
- 2 (879) 300



Survey Construction



Survey Design

- 13-page questionnaire mailed to former students
- 45 questions
- Collected data regarding undergraduate experiences, demographics, attitudes toward debt, attitudes toward giving



Examples of Demographic Variables

Sex	Year of Graduation	Spouse / Partner Education
Age	Current Income	Spouse / Partner Income
Race	Current Occupation	Spouse / Partner Educational Debt
Undergrad Major	Current Domestic Status	Children? If Yes: Ages of children? Financially responsibility for children



Grant Variables

- Source and Amount
- Federal Pell Grant
- Federal Supplemental Educational Opportunity (FSEOG) Grant
- Grant/scholarship from state
- Grant/scholarship from college/university
- Other source(s) of grant/scholarship money



Loan Variables

- Source
- Amount
- Party responsible for repayment of the loan
- Anyone helping with loan repayment either sporadically or routinely
- Federal Perkins Loan
- Federal Stafford Loan
- State Financial Aid Programs
- School Financial Aid Programs
- Bank Loans
- Loans from Parents/Friends
- Credit card usage



Attitudes Toward Debt and Giving

- Students were asked to rank their level of agreement with a series of statements or questions regarding their outlook on debt and alumni giving according to the following scale:

- SA (Strongly agree)
- A (Agree)
- U (Undecided)
- D (Dissatisfied)
- SD (Strongly dissatisfied)
- NA (Not applicable)



Attitudes Toward Debt

- Obtaining a college degree is worth any amount of money a student has to borrow.
- College loans interfere with my financial survival.
- Affordability should be a primary consideration in choosing a school for an undergraduate degree.
- I postponed graduate school because of my undergraduate loans.
- I believe that you should attend the best school that accepts you regardless of cost.
- If I could do it all over again I would borrow.

(More, About the same, Less)



Attitudes Toward Alumni Giving

- Have you ever contributed to your undergraduate alma mater? (Y / N)
- If my budget allowed I would contribute to my alma mater
- Once my college loans are paid I intend to contribute money to my alma mater
- I intend to contribute to my undergraduate alma mater
- Whatever I could contribute to my alma mater seems insignificant

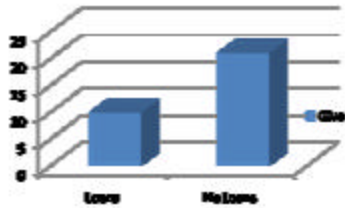


Significant Research Findings



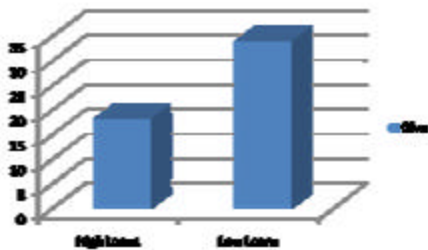
Giving Effectuated by Loans

"Alumni who graduated without college loans were slightly more than twice as likely to donate (20.9%) than were those who graduated with debt repayment responsibility (9.8%)." (MWU Sample)



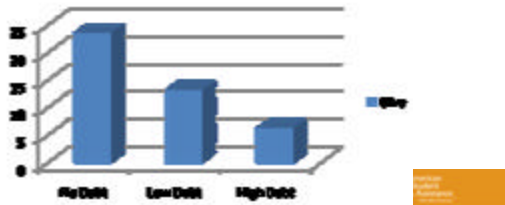
High Debt vs. Low Debt

"Graduates with low total loans (< \$20,000) are more likely to contribute to their alma mater (34.0%) than those with higher total loans (18.2%)." (ASA Sample)



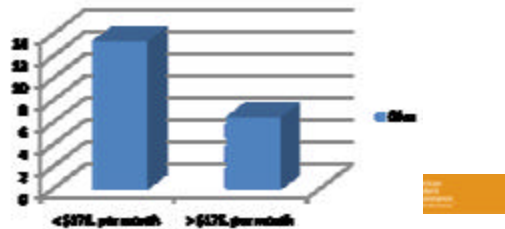
No Debt vs. High Debt

- “Those without debt responsibility were almost four times more likely to donate money than those with high debt repayment (>\$175.00); 23.7% as compared to 6.4%. (MWU Sample)



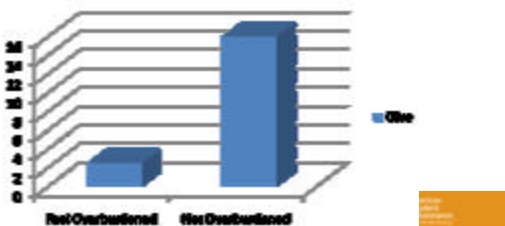
Low vs. High Monthly Payments

- Those who graduated with debt and low monthly repayments (< \$175.00 per month) were approximately twice as likely to donate to MWU as those who graduated with high monthly repayments (> \$175.00 per month) 13.3% versus 6.4% (MWU Sample)



Sense of Debt Burden

- Students who “felt overburdened” by student loan debt were less likely to contribute than those who do not feel overburdened (2.5% vs. 16%) (MWU Sample)



Effect of Grants / Scholarships

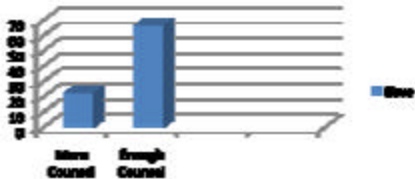
There was no statistically significant difference in alumni contributions based on whether the respondent received any scholarship/grant money or by the source of the grant/ scholarship. Furthermore, the amount of the grant/scholarship did not influence alumni giving." (ASA Sample)



Counseling on Loan Repayments

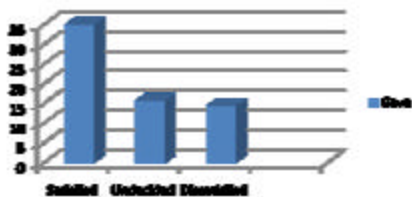
"More than four-fifths (87.9%) agreed with the statement "College students should receive more information about loan repayments." (Both Samples)

"Two-thirds (66.7%) of those who disagreed with the need for financial counseling contributed to their alma mater as opposed to less than one-fourth (22.5%) who thought counseling was necessary." (ASA Sample)



Financial Aid Office

• "One-third (34.9%) of those satisfied with the financial aid office's explanation of loans provided financial donations to the school compared to 15.6% of those who were undecided and 14.3% of those who were dissatisfied with the explanation of loans." (ASA Sample)



Other Findings

"Approximately one-fourth (24.4%) of the ASA sample claimed that they had contributed to their alma mater. This figure did not vary by respondent's sex, race, or age. "

"The length of time the alumni attended his/her alma mater did not influence alumni giving."

"Size of the school did not effect whether or not alumni contributed to their degree-granting institution." (ASA Sample)



Other Findings

More than twice as many non-contributing alumni in the MWU sample (46.4%) agreed with the following statement:

"I intend to contribute to my alma mater " (compared to only 18.8% of the ASA sample).

Similarly, nearly twice as many alumni in the ASA sample (49%) stated "I feel no desire to contribute to my alma mater" (compared to 25.3% in the MWU sample).



Private vs. Public and Alumni Giving

"Frequencies on private/public designation showed the schools in the sample were evenly divided between the two school types. Analysis on public/private designation showed no link to alumni giving." (ASA Sample)



Perceptions about Services and Alumni Giving

“Satisfaction with the helpfulness of the financial aid office in terms of debt management information tends to increase alumni giving.” (Both Samples)



Perceptions about Services and Alumni Giving

“Satisfaction with the helpfulness of the financial aid office in terms of explanation of loan repayment plans tends to increase Alumni giving.” (MWU sample)




Participation and Alumni Giving

“Alumni who participated in honors programs, intramural sports, department clubs, political organizations, and student leadership programs were more than twice as likely to contribute to their alma mater than were non-participants. In comparison to non-member, members of fraternities and sororities were three times as likely to give to their alma mater.” (ASA Sample)




Discussion




Discussion

- The value of the financial aid office transcends the daily work of packaging & awarding funds.
- This information should be used as a means of getting offices more support, not more work.
- If exceptional customer service makes a statistically significant difference in alumni giving, how do we improve service?



Ideas

- Use of surveys
- Financial literacy courses – repeated vs. once
- “Live help” or “instant chat”
- Facebook and other social networking sites
- Budget worksheets with line item for alumni
- Monitors and tv screens with timely info
- Instant messaging and text messaging
- Cross-functional campus meetings



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