



Beyond the College Bill:

The Hidden Hurdle of Indirect Expenses

uAspire advances college affordability solutions to increase postsecondary outcomes for students of color, first-generation students, and students from low-income backgrounds



Advise High School & College Students

Provide students with one -on-one virtual support primarily over text message to access financial aid and navigate higher ed systems

Train School Counselors & Program Staff

Build counselors' knowledge and skills through online professional learning so they can effectively guide students through the financial aid process

Advance Policy & Systems Change

Partner with higher ed, state, and federal leaders to increase college degree attainment by helping students overcome financial barriers and improving financial aid systems

Agenda

- Project Overview & Methodology
- Indirect Expenses are Hard to Find and Understand
- Estimates Don't Add Up
- Complexities for Financial Aid Administrators
- Hidden Costs Create Challenges for Students
- Institutions Can Ease the Burden
- Expert Panel

Why Costs Beyond The College Bill

- Full cost of attendance is what students need to pay to succeed in college and complete a degree
- National data
 - Non-tuition costs are **more than 50%** of total cost of attendance
 - Average undergraduate federal work-study job only covers **19%** of non-tuition costs
- Student experience:
 - Direct Costs are paid **first**
 - Indirect Expenses are **completion costs** that go unmet

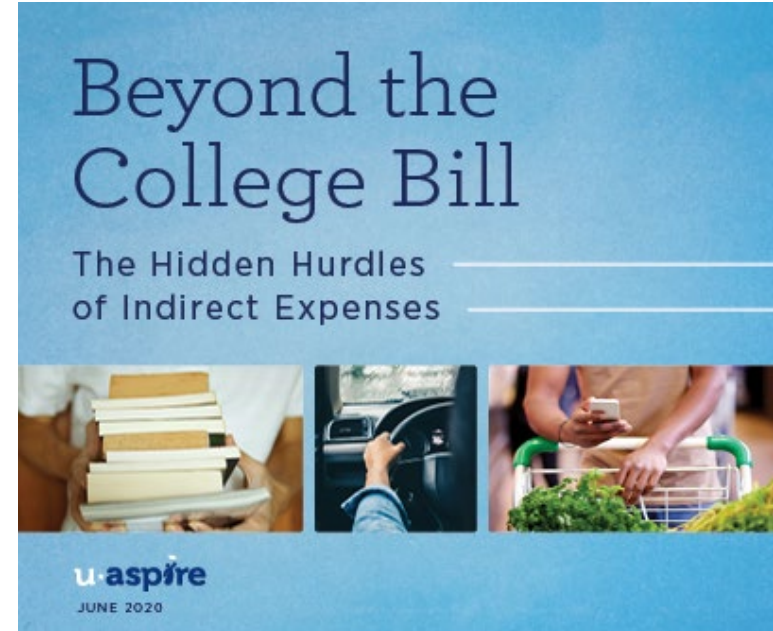
Impact on Students



Project Overview: *Beyond the College Bill*

Goals of Research

- Analyze the **ways colleges and universities communicate indirect expenses** to students + families
- Identify **patterns & discrepancies in indirect cost estimates**
- Explore **the student experience with indirect expenses**
- Identify **promising strategies used to reduce indirect expenses**
- **Offer recommendations** for how change agents can increase degree completion and minimize student debt



For the full report go to: www.uaspire.org

Methodology – Research Sources



Student Focus Groups

- 105 Students
 - 16 Focus Groups
-



Financial Aid Offer Review

- 72 unique college financial aid offers
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Student Survey

- 154 Students
 - 26-question Survey
-



College Website Review

- 820 college websites
-



Institutional Perspective

- Interviewed 9 financial aid administrators
 - Interviewed 11 higher education professionals
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National Datasets

- Integrated Postsecondary Education Data System (IPEDS)
- National Postsecondary Student Aid Survey (NPSAS)

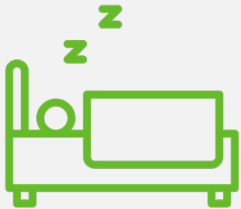
Indirect Expenses are Hard to Find and Understand

Cost of Attendance

Direct Costs



Tuition & Fees



Housing & Meal Plan



Indirect Expenses



Course Materials



Educational Supplies



Transportation Costs

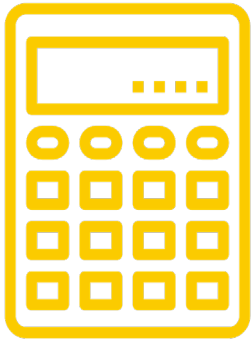


Personal Expenses

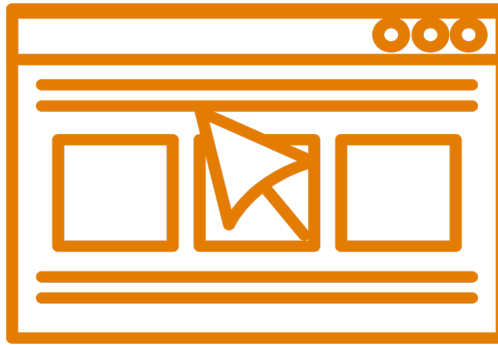
*This is just a sample of potential indirect expenses. Depending on your needs, there are additional expenses that should be included here.

College Cost Communication

- Colleges usually communicate costs in three ways
- In this report we reviewed both college websites and financial aid offers



Net Price Calculators



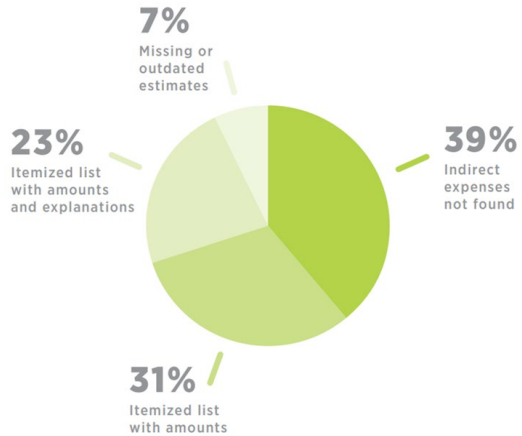
College Websites



Financial Aid Offers

Indirect Expenses on College Websites

Figure 1. Presentation of Indirect Expenses on College Websites



How indirect expenses were listed on college websites	% of Colleges that listed them in this way
Itemized list with amounts and explanations	23%
Itemized list with amounts	31%
Indirect expenses not found	39%
Missing or outdated estimates	7%

Providing Strong Explanations

Colleges with strong explanations of indirect explanations included some of the following:

- Explain why the estimates matter
- Clearly state these are costs beyond the bill
- Explain any assumptions
- Explain how to get help
- Prompt planning
- Name specific categories
- Explain expenses vary

Why the estimates matter → “Students also have expenses for books, supplies, transportation, and personal items. While the costs will vary from student to student, the figures below will give you an estimate of what to expect. The college uses these amounts when determining a student’s eligibility for financial aid. Students should contact the Office of Financial Aid to request a review of their budget if actual expenses are significantly different from the costs listed above. Child care expenses, computer purchases, disability related expenses, etc. can be taken into consideration.” ← *How to get help*

Specific prompts for additional eligible expenses →

—Private four-year college

Poll Question 1: Quick Self Assessment

Take two minutes to go to your campus website to find where you communicate indirect expenses and how you explain it. Which of the following do you do?

- a) Clearly state these are costs beyond the bill
- b) Name specific categories
- c) Explain assumptions
- d) Prompt planning
- e) Explain how to get help
- f) There is no explanation of indirect expenses

Estimates Don't Add Up

Estimates Vary Widely

Indirect expense estimates provided for the same housing status differ widely between colleges in close proximity

Boston Example:

On-Campus	Off-Campus	Commuter/with Family
Private 4-Year: \$5,250	Private 4-Year: \$23,858	Public 2-Year: \$9,361
Private 4-Year: \$2,700	Public 2-Year: \$13,022	Private 4-Year: \$6,073
Difference (<1 Mile): \$2,550	Difference (2 Miles): \$10,836	Difference (3 Miles): \$3,288

Indirect Expenses for Commuters in NYC

- There were high variation of indirect expense terms and calculations for commuters in NYC

College One Private 4-Year

College Living Expenses

Books & Supplies: \$2,050
Transportation: \$460
Personal Expenses: \$500
Food: \$500

Total: \$3,510

College Two Public 4-Year

Indirect Costs

Books & Supplies: \$1,850
Transportation: \$1,100
Personal : \$1,500
Lunch & Maintenance: \$2,250

Total: \$6,700

College Three Public 4-Year

Related Costs

Books & Supplies: \$1,364
Transportation: \$1,088
Personal Expenses: \$1,796
Room & Board: \$4,390
Lunch: \$1,232

Total: \$9,870

Complexities for Financial Aid Administrators

Complexities of Estimating Indirect Expenses

Across colleges there are different approaches to estimating their indirect expenses for students



Information from students



External Data



Estimates based on mid-range price



Local Research

Chat in your best practices for estimating indirect expenses



Additional Complexities

Other complexities for providing indirect expense estimates are the lack of guidance, market-based pricing, and communicating effectively with students and families.



Poll Question 2

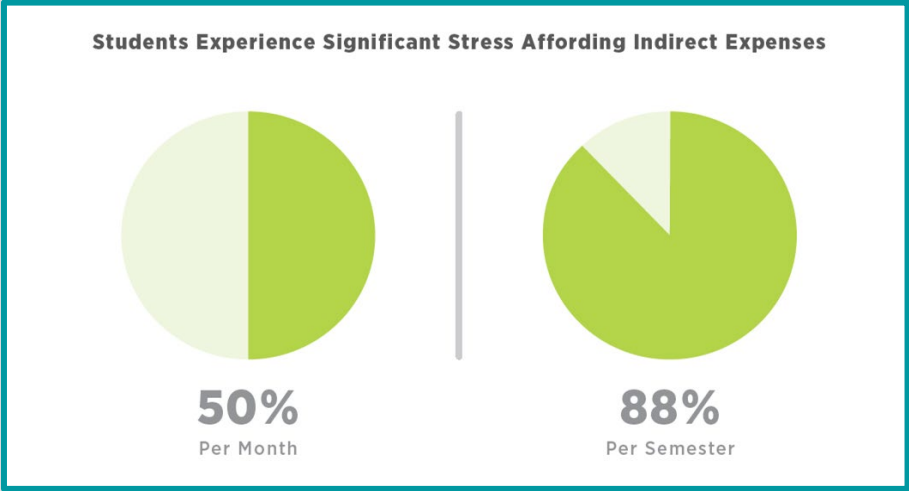
Which indirect expenses are the hardest to provide an estimate for?

- a) Course materials
- b) Educational Supplies
- c) Transportation
- d) Personal expenses
- e) Housing Costs
- f) Food Costs

Hidden Costs Create Challenges for Students

Stress to Cover Expenses

50% of the students we surveyed experience significant stress affording indirect expenses per month while 88% experienced significant stress affording indirect expenses per semester



Too Many Competing Costs Beyond the Bill

Students end up having to make tradeoffs between money and time when making decisions around indirect expenses

Books & Technology

I had already paid \$250 for an access code that was supposed to cover my biology course, but then it turned out that the genetics course text has a different code. Student Activities gives you a free used book but not an access code.

Transportation

The parking was a little ridiculous. On the [college's] website it said \$300, which is a little steep but I could still do it. Then you look at the fine print it says, 'last updated in 2008,' and it had doubled.

Timing of Financial Aid

Students highlighted issues with the timing of financial aid and lacking clarity of how it would be applied to their account.

Communication

“ We need a system that shows where the money is coming from and when it’s being applied. I took out a loan...but I didn’t have to. ”

Disbursement

“ The scholarship came in late, and I had a hold on my account. I couldn’t register for classes, it was a whole big deal. ”

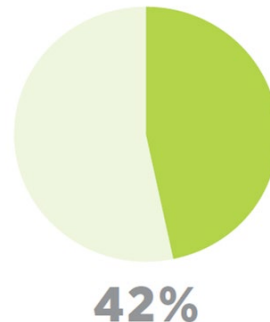
Engagement & Completion

42% of the students surveyed were concerned they could not afford indirect expenses needed to complete their degree

Missed Opportunities

“ I don't live the campus life or the college life that other people are living ... I want to be a part of things but I have to save money for next semester. ”

Students Concerned They Cannot Afford Indirect Expenses to Complete Degree



Navigating Unexpected Expenses

Students we surveyed use a variety of coping strategies when they encounter unexpected expenses

- 53% Change food shopping or eating habits
- 53% Cut back on social activities/entertainment
- 45% Increase the amount of time working
- 41% Do not buy all required books or supplies
- 22% Stop or cut back on transportation
- 18% Use credit cards more

Life-Hacking & Peer Networks

Many students find creative ways to get around indirect expenses dependent on goodwill and peer networks.

“ There’s one book on reserve and there’s 100 people taking the class, and 20 people gambling on scanning it ... someone else has it and is making copies, so you better be good friends with that person. ”

Institutions Can Ease the Burden

Specific Support

Institutions are delivering innovative programs, services and collaborative supports to students for specific categories of indirect expenses.



**Reducing
textbook costs**



**Subsidizing
transportation**



**Fighting student
hunger**



**Providing
affordable
housing**



**Subsidizing
childcare**

Comprehensive Support

Other institutions are offering more comprehensive support including on-campus resource centers with wrap-around services and/or emergency aid.



On-Campus
Resource
Centers



Emergency
Aid

Poll Question 3

What supports does your campus *already* provide?

- a) Open Educational Resources
- b) Transportation subsidies
- c) Food insecurity supports e.g., pantry, swipe system
- d) Affordable housing options
- e) On campus resource centers
- f) Emergency Aid

Poll Question 4

What area of costs beyond the college bill is most needed for your campus to address?

- a) Open Educational Resources
- b) Transportation subsidies
- c) Food insecurity supports e.g., pantry, swipe system
- d) Affordable housing options
- e) On campus resource centers
- f) Emergency Aid

Promising Practices



Amarillo College

Community College of
Philadelphia

Oregon State University

University of California,
Irvine



Maricopa Community
College District



Wayne State University

Valencia College

Fresno State University



MA State Government

Tacoma Community
College



University of Houston-
Downtown

Implementation Details Matter

How these supports are implemented impact how accessible and effective they are for students.

Easy to Find

“ A lot of colleges have programs, but don't vocalize that they can help students. How could we know to reach out? Help me help myself. ”

Ways to Reduce Stigma

“ They have a collection bin of outfits downstairs but it's hard to gather up the courage to go into the donation bin. Is that interview outfit even gonna fit? ... It's literally a box in the hallway, the most traffic-heavy hallway in the school. ”

Which colleges are leading the way?

Which schools do you know to be delivering best practice for any of these supports? In the Chat, name the college and which indirect expense they excel with supporting students.



Spotlight: Maricopa Community College District



Problem

College textbook prices have increased rapidly over the last 25 years—204 percent above the average rate of inflation from 1997 to 2018. At one campus in the Maricopa Community College District (MCCD), textbook costs comprise approximately a third of the total cost of an associate's degree.

Solution

Eliminate the cost barriers created by commercial textbooks and access codes by incentivizing faculty to design and offer courses using low-cost or no-cost open educational resources (OER)

Impact & Benefits

- Saved students \$11,520,000 in textbook costs over the five years since MCCD launched the initiative
- College officials plan to assess the impact of OER materials on student learning outcomes in the near future



Spotlight: Tacoma Community College

Problem

A 2016 study found that 69 percent of Tacoma Community College (TCC) students had experienced housing insecurity during the previous year and 27 percent were homeless at some point. Persisting in college is challenging without a stable place to live and most homeless students leave without a degree.

Solution

TCC partners with the Tacoma Housing Authority (THA) to provide subsidized housing for 150 homeless and near homeless students, most of whom are parents. A subset began their studies while in prison and came to campus after their release to continue their studies.

Impact & Benefits

- Sixty percent of the students participating in the pilot program had earned a degree or were still enrolled in college after two years, compared with just 16 percent of homeless and near-homeless students who were not receiving housing assistance
- Harvard University's John F. Kennedy School of Government named the program one of the nation's 25 most innovative governmental initiatives for the year in 2018



Spotlight: Amarillo College

Problem

Large numbers of students struggle to balance additional responsibilities as parents and employees, alongside the stress of limited financial resources to meet basic needs. A survey of barriers to college completion identified housing and food insecurity, transportation, jobs, and childcare as the biggest challenges students face.

Solution

An institution-wide initiative to change policies and practices and create new resources to better support the nonacademic needs of students that interfere with their academic success.

Impact & Benefits

- Amarillo College's three-year completion/transfer rate has increased from 19 to 48 percent since the program began in 2011
- Students who use ARC services have a fall-to-fall persistence rate 14 percent higher than their peers who do not receive assistance

Thank you!

- We appreciate your attention on this topic, and ideas to address and support students with indirect expenses.
- As able, look at your own communication and consider how your school could improve to provide better information about indirect expenses.
- We are here to help. As you tackle this work, reach out for feedback.

Learn more: <https://www.uaspire.org/Report/Beyond-the-College-Bill>