

# EMPOWER STUDENTS BY DISTANCING FROM TRADITIONAL FINANCIAL AID

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Higher education admissions has evolved dramatically, as colleges and universities compete to offer a more welcoming, intuitive and personalized experience for prospective students. The COVID-19 pandemic magnified the opportunity institutions have to radically transform financial aid in similar ways.

Physical distancing and other safety measures made the prospect of lining up in a financial aid office or meeting in person with counselors infeasible at a time when aid is needed most: [More than half of U.S. financial aid administrators](#) report that their institutions have seen an increase in professional judgment requests between March and September 2020.

As more students consider deferring their education due to recent economic strain, there is growing urgency to divorce financial aid from its traditional back-office position as well as time and location constraints. A new approach can reposition the largely opaque, confounding financial aid process to one that inspires students to reach their academic, personal and professional goals.

Institutions that deliver a digital, automated financial aid experience can make this process more accessible to a broader population of students and families, re-balance the amount of effort they spend on documentation, and empower students to make more informed decisions about their education.

## Design Accessible Financial Aid Experiences

Campus shutdowns in the spring of 2020 forced colleges and universities to adapt out of necessity. Rapid shifts to remote work and learning also created a forgiving climate that allowed institutions to embrace technology and expedite innovation in unprecedented ways. But bringing students, faculty and staff back to campus does not mean functions like financial aid should revert to a previous “normal.”

While social distancing mandates make a contactless financial aid process table-stakes for continuity of operations, a virtual financial aid experience designed to advance student outcomes can be a powerful differentiator at any time for institutions by:

- **Increasing accessibility to students and families.** Even when campuses are fully operational, waiting for an appointment at the financial aid office is not possible for every student or applicant. A digital-first financial aid model does not mean removing the human element from the process; it is a way to give students a choice over how they want to engage, be it in person, online or over the phone.
- **Reducing students’ administrative burden and enhancing visibility.** Increased automation and integrations between back-office systems and data sources can minimize the manual effort students spend completing forms and hunting

down specific information. Automated outreach that alerts students when new information is required and where applications are in the review cycle adds transparency into what is often an opaque process. This creates a simpler, more welcoming experience for prospective students and lets current students refocus on academic activities that can help them graduate on time or minimize debt.

- **Delivering more proactive financial guidance.**

Similar to the healthcare industry's evolution from managing illness to wellness and prevention, contactless financial aid can shift the aid team's focus from offering transactional service to financial literacy and personalized guidance. By automating document verification and other often manual processes, financial aid professionals can devote more time to educating students and communities beyond campus (e.g., high schools or employer partners) about aid options.

## Reprioritize the Focus of Financial Aid Through Automation

Transforming financial aid is not solely a matter of using automation to do the same things faster or at a lower cost, but also to do things differently to yield better results.

Rather than investing in solutions that digitize legacy analog processes, administrative leaders should re-imagine how financial aid offices function. The goal is to design a frictionless experience that helps students spend more time on tasks that improve their academic outcomes and helps employees spend more time advocating for students.

Before implementing new systems, leaders need to assess their current financial aid workflows to identify redundancies, understand where the process currently breaks down, and determine what information is truly needed when. It's also important to prepare for how automation will affect the pace and focus of financial aid operations. Digital solutions make it possible for

offices to process larger volumes of applications instantly and more quickly flag the exceptions that require hands-on intervention.

Such significant shifts in the way financial aid offices work will necessitate a re-architecting of how they're staffed. By automating a majority of the traditional documentation verification and application review tasks, some employees can be deployed to engage directly with students and communities, problem-solve different aid scenarios, and build relationships with other parts of the institution (including admissions and bursar's offices).

Leaders will need to recognize how abrupt a transition this can be for employees who have spent years becoming domain experts in specific protocols. Financial aid counselors pride themselves on knowing the answers to complex questions. Automation will bring a learning curve. Colleges and universities need a plan to provide counselors with the time, space and training to become familiar with new technologies, processes and job responsibilities. Employees will need to understand the motivation and objectives of these changes — and be confident in their own capabilities — to deliver the best service.

## Give Students Agency Over Their Financial Aid Experience

The academic experience is increasingly nonlinear: Students are approaching higher education as lifelong learners rather than as episodic customers, taking advantage of alternative pathways and exploring credentials beyond the traditional degree. Today's financial aid model is not flexible enough to support the multitude of possible student scenarios that can and will occur in the future. Accommodating a more diverse set of prospective students demands a new approach.

The promise of contactless financial aid is to empower more students to pursue and fulfill their higher education goals. When the document-driven side of existing financial aid processes

becomes touchless, ironically, it makes room for more high-touch engagement. Institutions can focus on developing current and prospective students' financial wellness, providing fast, valuable insights and tools that shed light on options they may not have considered. With this approach, students can view the financial aid process not as a barrier, but as a vital enabler in achieving their academic goals.

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