

Visibility and positioning for the promotion of student Financial Aid services

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Consider the following:

- What is the current situation in Financial Aid?
- Are we providing the services we should?
- What are best practices for Financial Aid?
- What is the role of Financial Aid in FET Colleges and Universities?
- Are we visible enough in the institutional community?
- Are we positioned correctly within our institutions?



Current situation

- Financial Aid seen as only receiving and distributing funds
- Due to the economic condition in South Africa demand for student financial aid greatly outweighs the supply of funds
- The image of Financial Aid to the wider community
 - Is the Financial Aid environment now politicized?
 - Is Financial Aid creating career students?
- Is Financial Aid offices adequately resourced?
- Student revolt as a result of insufficient funding
 - Are we promising too much?
 - Is Financial Aid seen as the main reason for this revolt?
- Comparison with FAFSA (Free Application for Federal Student Aid: USA)



Comparison SA vs USA

- **South Africa** (Ministerial Review)

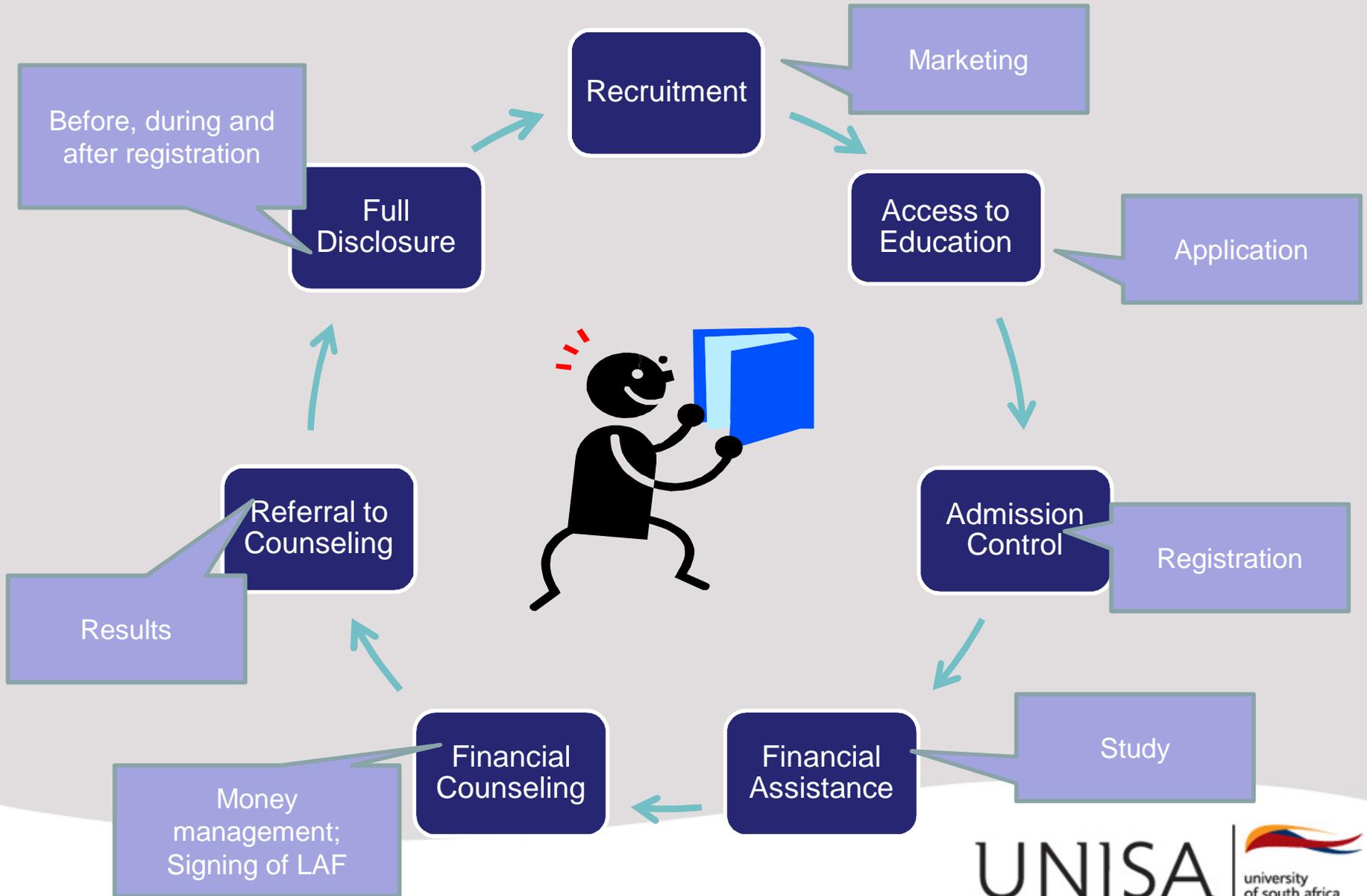
- Lack of financial foresight amongst students
- Lack of uniform information about Higher and/or Further Education funding available before enrolment
- Perception that funding is awarded based on race
- Lack of uniform processes in allocating funding across institutions
- Bureaucratic processes can block access to the needy (literacy levels)
- Inadequate understanding of funding administration at FET colleges
- Perception of FREE education

- **USA** (FAFSA report)

- Students lack understanding of financial planning
- Inaccurate information about Higher and/or Further Education funding available before enrolment
- Students reluctant to take on debt
- Distrust/misunderstanding regarding personal information needed to process aid
- Need exceeds available funding
- FAOs lack sufficient human and technology resources to provide information and one-on-one assistance



Service to be provided



Best practices

- Improving financial aid predictability
- Increasing donor complementarity
- Intensifying and encouraging joint action
- Ensuring mutual accountability
- Strengthening systematic capacity
 - Staff
 - Technological
 - Operational
 - Physical
- Full disclosure
- Adhering to legal requirements
- Honesty, integrity & professionalism
- Timeous response

E.g. Financial institution
sponsoring students

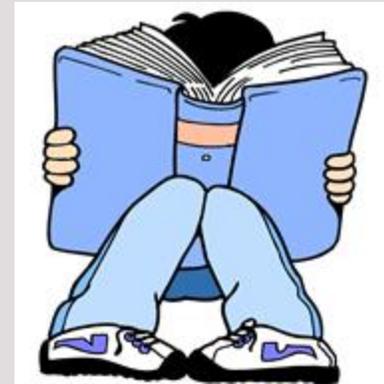
Donor, institutions &
students adhere to
agreements



Fine print on contracts
Reports to donors,
management, government
& individual reports to
students

Role of Financial Aid

- Provide access to education
 - Ensure continuation of registration
 - Even students partially funded will be 80% more willing to re-register in a subsequent year
- Provide information regarding available financial aid packages
- Provide financial management mentoring
- Targeted intervention strategies
 - Referral to counseling
 - Identification of at-risk-students
- Improved graduation rates
 - Punitive measures (e.g. FY bursary)
 - Realization of increased debt if study longer
- Recruitment strategies
- Ensuring adequate resources



Visibility of Financial Aid

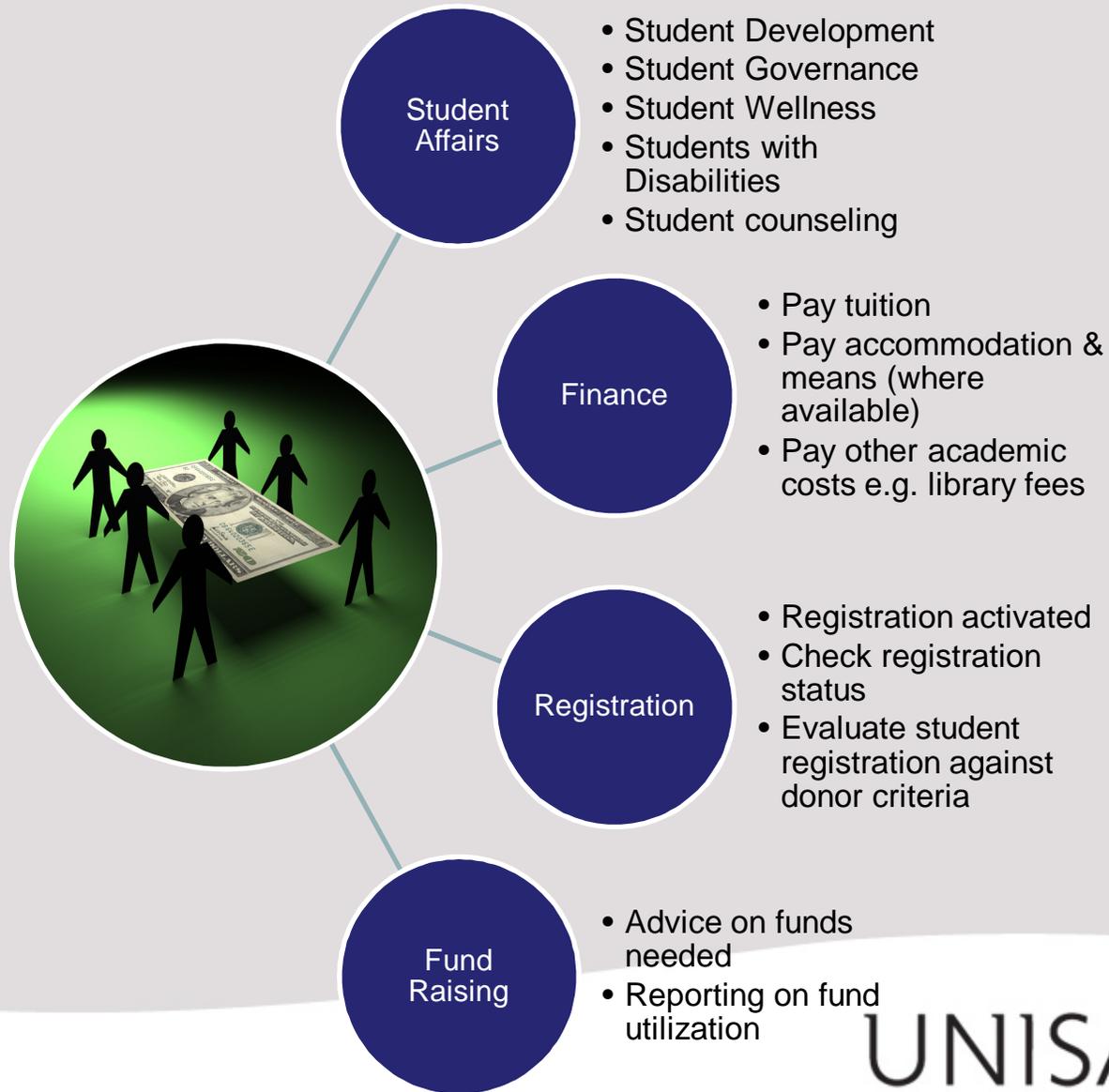
- Visibility not limited to location of Financial Aid on Campus
 - Accessible to students
 - Not only getting and giving money, but also be able to identify social problems and refer for assistance
 - Online profile
 - Management should realize the importance of Financial Aid in planning
 - Establishing relationships with all stakeholders
- Marketing – A paradigm shift
- Do students know Financial Aid is more than just NSFAS?
- Is Financial Aid visible in policy decisions?
 - For example courses are discontinued after donor funding secured etc.
 - Enrolment policies & decisions need to involve Financial Aid

Do FAOs have a voice?

Positioning of Financial Aid

- University and FET College structures differ
- Structures differ from university to university
- Financial Aid is usually positioned either,
 - Finance
 - Registration
 - Student Affairs
- BUT:

Financial Aid – Possible hosts



Key Success Factors

- Proper coordination of information dissemination
- Involvement of all stakeholders
- Proper strategic allocation of resources
- Have a voice in applicable policy matters
- Understand your students and design financial aid packages that suit the student needs
- Employ systems to reduce costs e.g. ELAFS, online application etc.
- Use of multimedia to provide information
- Simplified processes that cater for a society where illiteracy is still very high
 - Forms are misunderstood
 - Eliminate mistrust created due to bureaucratic processes.
- Maintain high level of excellence with integrity

Conclusion

- Ultimately, each Higher- and Further Education institution must evaluate its own situation and determine the best and most appropriate approach for ensuring student access to financial aid.
- FAOs must make a deliberate effort to include all stakeholders in decision making and processes (whether through providing information, or by having transparent processes)
- Appropriate, clear and consistent information will prevent student mistrust.
- FAOs must devise a plan that incorporates accurate and timely information, establishes personal one-on-one interactions with students (where and how applicable), and collaborates with other stakeholders to increase the understanding of the processes and implications of financial aid.
- Financial Aid managers need to set high expectations for service and back them up with adequate resources.