Financial Stability: Partnering Financial Aid with Financial Wellness & Basic Needs Support

Part 1 Monday, July 27th
1:45-3:30 pm

Paul McKinney, Ph.D.

Marianne R. L. Young, Ph.D.

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Welcome & Introductions

Paul McKinney, Ph.D.

- Associate Vice President of Student Financial Stability
- Bachelor's degree from the University of North Alabama
- Master's degree in business administration from Capella University
- Ph.D. from Mississippi State University in Community College Leadership

Marianne R. L. Young, Ph.D.

- Assistant Vice President for Financial Wellness
- Bachelor’s degree from Transylvania University
- Master’s degree and Educational Specialist degree from University of Kentucky
- Ph.D. from University of Kentucky in Studies in Higher Education

Tell Us About Yourself

- Name
- Institution/Organization
- What is one thing you hope to learn from this session?

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Goals for the Session

- Review Financial Aid Process
- Explain What Financial Aid Is and Isn't
- Explore Basic Needs Concerns
- Investigate Financial Wellness
- Discuss How Partnerships Among These Areas Can Positively Impact Students

Cost of Attending Higher Education

What Is The Cost of Attendance (COA)?

- Tuition and Fees
- Housing and Dining
- Books and Supplies
- Transportation
- Personal Expenses

Every institution who receives federal financial aid is required to post COA on website.

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Paying for Cost of Attendance

- How Do Students Pay?
  - Federal, State, Institutional, and Private Sources
    - Grants (Pell, SEOG)
    - Scholarships (Merit vs. Need-Based)
    - Work-Study
    - Loans (Subsidized vs. Unsubsidized)
    - Self-Pay (529, savings, payment plan, etc.)

Students can’t be awarded more than the cost of attendance.

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How Do You Qualify for Aid?

- <u>Free </u>Application for Federal Student Aid (FAFSA)
  - Completed Each Year
  - Determines Aid Eligibilty and is Not an Aid Offer
  - Undergraduate, Graduate, Professional Aid
  - Uses Prior, Prior Year Information
  - Calculation of Student Aid Index (SAI)
  - Satisfactory Academic Progress (SAP)

Things to Know About FAFSA

- Dependency vs. Independent
- FAFSA does not capture
  - Housing Instability
  - Job Loss
  - Caregiving Costs
- FAFSA Simplification
- FAFSA Verification
- Satisfactory Academic Progress

Financial Need

Cost of Attendance - Student Aid Index= Financial Need

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Financial Need Gaps

- Gaps between aid and living costs
- Timing issues (aid disbursement vs. real-time expenses)
- Changes in circumstances mid-semester
- Students who do not qualify for federal aid
- One Big Beautiful Bill Changes

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One Big Beautiful Bill

- Effective starting July 1, 2026
- Federal Loan Limits
  - Graduate- Limited to $20,500 per year ($100,000 lifetime limit)
  - Professional- Limited to $50,000 per year ($200,000 lifetime limit)
  - Total Lifetime Cap: $257,500 to all federal loans (excludes Parent Plus)

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One Big Beautiful Bill

Parent Plus Loan

- Annual Cap $20,000 per student per year
- Lifetime Aggregate Limit $65,000 per dependent

Grad Plus Loan

- No Long Offered

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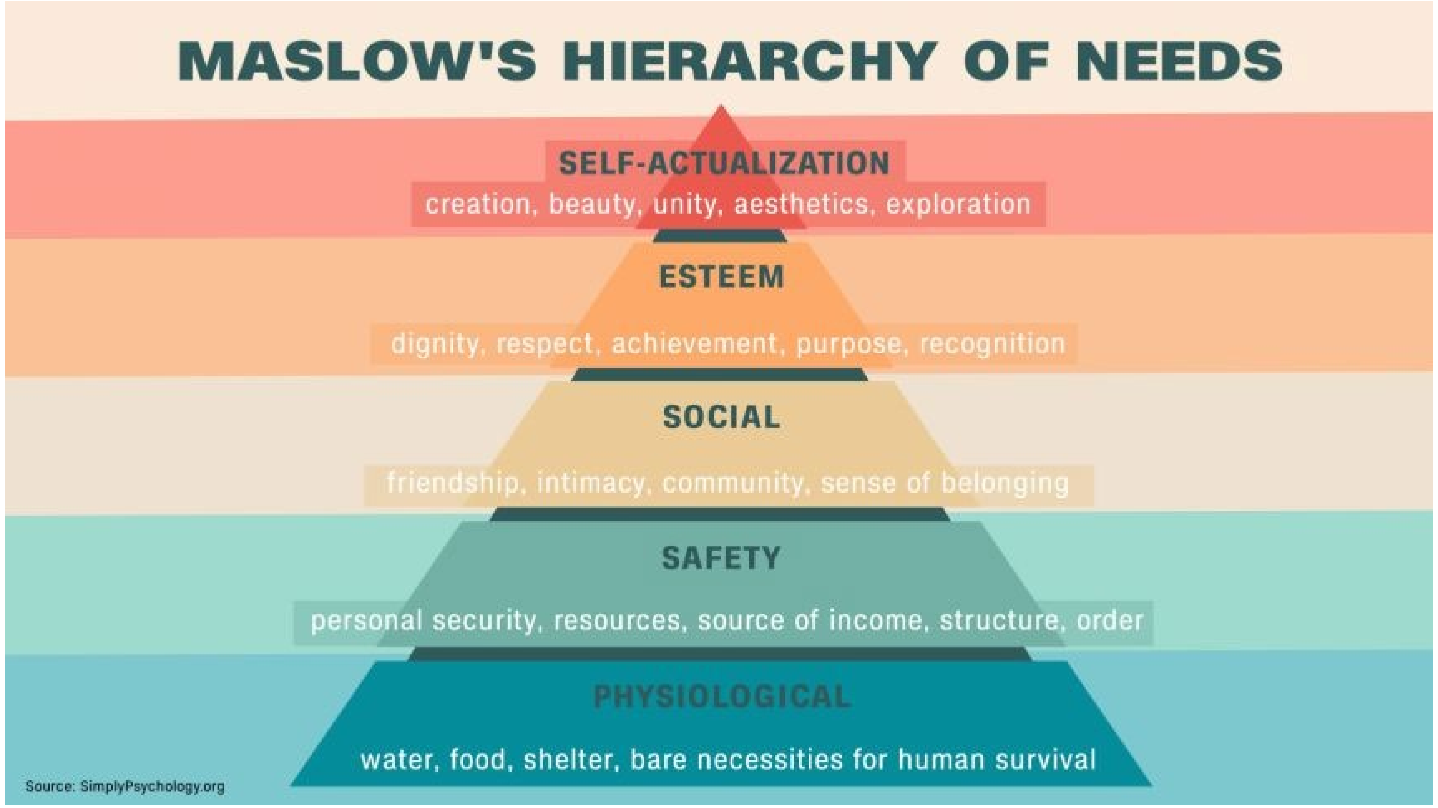
Question Time!

- What surprised you about FAFSA or aid?

- What would be confusing or challenging for a student with this process?

Basic Needs

Maslow’s Hierarchy



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Basic Needs

- Focuses on meeting essential needs
- Often emergent cases
- Examples
  - Rent
  - Utilities
  - Food
  - Emergent Medical Needs

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Basic Needs Prevalence

Hope Center Student Basic Needs Survey 2023-2024

- 75,350 Survey Participants
- 91 institutions
- 16 States

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2023-2024 Student Basic Needs Survey Report

59% of students experience **at least one form of basic needs insecurity.**

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2023-2024 Student Basic Needs Survey Report

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2023-2024 Student Basic Needs Survey Report

73%

of respondents face basic needs insecurity when we consider other basic needs **(mental health, child care, transportation, and internet/ technology access)** in addition to food and housing.

44%

of students experience **clinically significant symptoms of anxiety and/or depression.**

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2023-2024 Student Basic Needs Survey Report

3 in 5

of students experience basic needs insecurity related to food and/or housing.

67%

of parenting students experience housing insecurity.

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2023-2024 Student Basic Needs Survey Report

"It's impossible to work full-time and dedicate myself to school full-time while looking for housing and battling depression. However, if I quit school I'm stuck in my dead-end job and if I quit my job I'll starve."

Student in Vermont

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Trellis Fall 2023 Student Financial Wellness Survey

- 45%- low to very low food security
- 42%- housing insecurity

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What are signs that a student may need support?

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Identifying Students In Need

- Self-Identify
- Referral
    - Faculty, Staff, Students, Community Members, Family, etc.
- Data

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Addressing Needs

[Community Resource Connection]

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Addressing Needs

- Community Resources
  - Kynect
  - SNAP
  - KTAP (Kentucky Transitional Assistance Program)
  - LIHEAP (Low Income Home Energy Assistance Program)
  - Community Action
  - Kentucky 211 (food, housing, utility, etc.)
  - Kentucky Prescription Assistance Program
  - Child Care Assistance Program

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Addressing Needs

- Utilizing Aid
  - Cost of Attendance Appeal
  - Loans
  - Scholarships
- Childcare/Dependent Care Grants
- Short-term loans
- Emergency Grants
- Food Pantry/Meal Programs

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Emergency Grants

- Do Not Impact Title IV Financial Aid Funding
- At UK Emergency Grants Do Not Cover:
  - Tuition
  - Legal Fees/Fines
  - Health Insurance
  - Education Abroad
  - Travel During Breaks

Emergency Grants

- At UK Grants Can Cover:
  - Utilities
  - Food
  - Housing
  - Disaster Relief
  - Emergent Medical Needs
  - Books
  - Supplies

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Part 1 Wrap-Up

- What is Cost of Attendance?
- Basic Components and Processes of Financial Aid
- What does Financial Aid Cover?
- Where might there be gaps?
- What are Basic Needs?
- Challenges related to Basic Needs and Aid

Part 2 Preview

- What is Financial Wellness?
- How can Financial Aid, Financial Wellness, and Basic Needs Work Together to Support Students
- Case Study

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Part 2 Monday, July 28th
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- Review Financial Aid Process
- Explain What Financial Aid Is and Isn't
- Explore Basic Needs Concerns
- Investigate Why Financial Literacy Is Important
- Discuss How Partnerships Among These Areas Can Positively Impact Students

Part 1 Refresher

- What is Cost of Attendance?
- Basic Components and Processes of Financial Aid
- What does Financial Aid Cover?
- Where might there be gaps?
- What are Basic Needs?
- Challenges related to Basic Needs and Aid

Part 2 Overview

- What is Financial Wellness?
- How can Financial Aid, Financial Wellness, and Basic Needs Work Together to Support Students
- Case Study

Financial Wellness

What is Financial Wellness?

What is Financial Wellness?

SoFi

- Financial Wellness refers to the ability to lead a successful financial life, meeting basic needs and managing money for short and long-term.

What is Financial Wellness?

Consumer Financial Protection Bureau

- Financial Wellness is having financial security and financial freedom of choice, in the present and in the future.
  - Control over day-to-day, month-to-month finances
  - Capacity to absorb a financial shock
  - On track to meet financial goals
  - Financial freedom to make the choices that allow you to enjoy life

What is Financial Wellness?

Themes:

- Managing current expenses
- Ability to weather unexpected “rainy day” expenses
- Planning for the future
- Emotional aspect

- Spend-Save-Invest

How are Financial Wellness and Financial Literacy Connected?

Literacy = Content Knowledge

Wellness = Putting Content Knowledge Into Action

How Do Financial Aid, Financial Wellness, and Basic Needs Work Together?

How Do Financial Aid, Financial Wellness, and Basic Needs Work Together?

Referral Points

- Self-Identify
- Referral
  - Faculty, Staff, Students, Community Members, Family, etc.
- Data

How Do Financial Aid, Financial Wellness, and Basic Needs Work Together?

Self-Identify

- Educate students about office services
- Strong partnership hand-offs
- Ask about Basic Needs

How Do Financial Aid, Financial Wellness, and Basic Needs Work Together?

Referral

- Educate community on office services
- Review the referral to do the next right thing
- It may take multiple offices
  - Communication and Coordination

How Do Financial Aid, Financial Wellness, and Basic Needs Work Together?

Data

- Proactive outreach
  - What's the Plan?
- Reacting to current situation
  - Food support during pause in program
- Look for patterns
  - Caregiver support

Putting It In Action

Case Studies

Case 1: Alex and the FAFSA Gap

Alex is a first-year student whose parent recently lost their job. His FAFSA still reflects older income, and his aid does not cover rent or groceries. Alex is thinking about dropping classes.

Case 1: Alex and the FAFSA Gap

- What is the financial aid issue?
- What could Alex do?
- What other supports could help?

Case 2: Maria and the Mid-Semester Crisis

Maria's car breaks down mid-semester. She cannot afford repairs and starts missing class and work.

Case 2: Maria and the Mid-Semester Crisis

- Is this short-term or long-term need?
- Who can help?

Case 3: Jordan and the Refund

Jordan spends his financial aid refund quickly and later cannot afford groceries or bills.

Case 3: Jordan and the Refund

- What misunderstanding is happening?
- How could this be prevented?
- What supports help now?

Case 4: Taylor and Invisible Need

Taylor is doing well but is skipping meals to save money and quietly mentions not eating regularly.

Case 4: Taylor and Invisible Need

- Why is this hard to detect?
- What should staff do?

Case 5: Sam and the Part-Time Dilemma

Sam works 30+ hours and enrolled part-time. Their aid decreased and they now owe a balance.

Case 5: Sam and the Part-Time Dilemma

- Why did aid change?
- What tradeoffs exist?
- What could help?

Synergy Brings Energy

Session Wrap Up

- Review Financial Aid Process
- Explain What Financial Aid Is and Isn’t
- Explore Basic Needs Concerns
- Investigate Financial Wellness
- Discuss How Partnerships Among These Areas Can Positively Impact Students

Resources

- Student Aid
- Kentucky Resource Support
- Hope Center Basic Needs Research
- Trellis Basic Needs Research
- SoFi Financial Wellness Definition
- Conusmer Finance Bureau FInancial Wellness Definition