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Beyond Financial Aid: Assisting Students in Financial Need—A Practical Solution to Reduce the Attrition Rate in Community Colleges

Numerous studies have been conducted in an effort to identify the reasons students drop out of community colleges. While a vast and complex body of data points to a variety of factors attributing to a high attrition rate, one recurring factor is a lack of adequate resources to support students outside of academics. While many financial programs exist to support students directly with their educational expenditures, even an emergency fund (to be used specifically for doubtful accounts) and a mediocre daycare grant, there is currently not a designated program in place available to help students with personal financial needs, such as transportation costs, medical expenses, and utility bills. The rationale for assisting students with these types of expenses is that these issues cause students to miss class frequently. Students who have car trouble or do not have money for gas or public transportation cannot attend class regularly. Students without health insurance or adequate subsidized healthcare for themselves or their children spend hours waiting at emergency rooms to be treated for minor illnesses. Students deficient in funds for basic living necessities, not covered by Health and Human Services, spend hours and days standing in line at non-profit agencies to obtain assistance with utility bills. All of these incidences result in a substantial loss of instructional time for students. Attendance is a key determinant in student success and retention. Any measure intended to increase attendance is one that deserves thoughtful consideration. Of course, in the face of budget cuts and dwindling state and federal funds, a logical argument against establishing an emergency fund for non-academic related expenses would be simply that it is not affordable. To the contrary, failing to establish such a fund is not affordable. The cost of college dropouts is significant, particularly in comparison to the price tag of subsidizing an emergency fund. Typically, attrition can cost community colleges millions of dollars per year, and according to the American Institutes for Research, that figure translates to $1 billion annually for taxpayers (2011) .

Doing the Homework

Prior to sharing a plan to establish an alternative emergency fund, it is necessary to clearly define the vision. It is difficult to successfully share with others a vision that is ambiguous or not carefully thought out. My vision is to institute an emergency fund that provides temporary, immediate assistance to low-income students for unanticipated expenses. Students who apply in advance to utilize the fund would provide the same financial information they provide when filling out the FAFSA, and would, upon meeting eligibility requirements, be able to withdraw funds in the event they are faced with unexpected expenses. Eligibility would take into consideration not only financial necessity, but GPA as well. Students would not be required to pay back the funds unless they failed to produce valid documentation of a legitimate expense, for example, a receipt or a past due bill and a confirmation of its satisfactory payment. Legitimate expenses would include, but would not be limited to, urgent care visits, utility bills, drop-in daycare costs, fuel or public transportation expenses, and reasonable car repair bills.

Once the vision is defined, justification is necessary. As Katsinus (2009) explained, the planning stage of a quality enhancement plan (QEP) is “complex, multifaceted, and transactional” (p. 659). Gathering and recording qualitative data is an excellent starting point. In order to get a better idea of the number of students affected by financial strain that has prohibited them from attending classes and has caused them to consider dropping out of college, I conducted an anonymous survey in all of my classes. Students were instructed to answer questions on a sheet of paper and put them in an envelope so that neither I nor anyone in the class would know their responses. They were asked to answer whether or not financial distress has affected them to the point that they had considered dropping out of school, and if so, to describe the financial distress. Students who did not wish to respond were told to express such. Students who are not in financial distress were told to respond with *N/A*. Prior to asking students to answer questions, they were given the definition of true financial distress so that they understood the difference between enduring a true financial hardship and having to wait until their next paycheck to purchase a want as opposed to a need. 61 students responded to the survey, and not surprisingly, 22 responded positively to having experienced a bout of financial hardship so severe that they had considered leaving school. I have long been concerned that many of my students have missed classes due to unforeseen circumstances that required money they did not have. I was only sure of this phenomenon based on the students who shared their circumstances with me; therefore, the purpose for my survey was simply to confirm my theory. In the past, I have negotiated these matters by letting absences slide and extending due dates in an effort to prevent students who face financial emergencies from dropping out. While the affected students did indeed finish my class, I am doubtful that many of them persisted further, and certainly, a greater solution is necessary, which must come from the formal leaders in the college.

Administrators, especially when they are asked to throw money at a problem, do not value independent, informal surveys as a means of assessing a problem and demand concrete data. While more extensive research needs to be completed before establishing a specialized emergency fund at Wake Tech, current numbers, a result of aggregated responses from the years 2006 to 2010, indicate that an emergency fund could be one viable answer for lowering the attrition rate. Data from Wake Technical Community College reveals that only 9% of students complete a terminal degree. This number does not take into account students who transferred to another college outside of the UNC System and graduated with a degree. Of students who dropped out of college, 33 % percent said they dropped out for personal reasons, including childcare, medical, and family issues; 17% cited job conflicts or new employment as their reason for leaving school, and 14% reported financial hardship as their primary reason for dropping out. While financial hardship was presented as a separate category in the survey of non-completers conducted by Wake Technical Community College, both the categories of personal reasons and employment reasons intersect with the financial hardship classification. With an emergency fund in place to aid in temporary situations of financial adversity, students would be able to draw on funds immediately so that they would be able to take care of their financial business expeditiously and return to regularly attending classes.

A student with a lower socioeconomic status is at a much higher risk of dropping out of school due to personal finance matters; therefore, an emergency fund may be one assured way to increase the completion rate. Delen (2011) has stated that “Successful student retention practices use student characteristics to identify the at-risk students who are more likely to dropout and develop effective and efficient intervention methods to retain them” (p. 32). Identifying much of the at-risk population as low-income is a salient notion, which justifies a practical intervention method of releasing nominal reserves to low-income students so that they can attend class and dismiss the ancillary financial burden that is preventing them from doing so. Of course, I am not suggesting that the only measure an institution must take to lower the attrition rate is to establish an emergency fund. I am simply proposing that if it is evident that one of the reasons students drop out is personal financial need, then establishing the fund could solve one problem related to retention. However, students who find themselves in a constant state of financial catastrophe would not gain relief from the emergency fund. Burley, Butner , and Cjeda (2001) have noted that the majority of students who drop out are 2.5 years older than those who continuously enroll. This is another indication that an emergency fund may be able to assist these students and keep them in school. Older, non-traditional students generally have expenses that younger students do not incur, so when an unpredicted event disrupts their fragile financial balance, they are less likely to finish college. Hoyt (1999) has conceded that studies show that “older students, part-time students, minority students, and working adults have higher drop-out rates” (p. 52). The correlation here is purely financial. In addition, Hoyt has suggested that students in need of remediation are at a higher-risk for dropping out. Usually, students in developmental education have a lower SES than students enrolled in credit hour courses. Based on this information, there is undoubtedly a need for this fund, but the next consideration is figuring out where the money will come from and how much money the fund should retain.

A look at the allocation of funds from the Wake Tech Foundation (see figure 1) reveals the possibility of redistributing some money to establish the emergency fund. In my estimation, based solely on my own experience in the classroom, approximately 36% of low income students experience a true economic hardship that prevents them from attending class. However, more research is necessary to generate an accurate representation of the percentage college-wide. Generally, the cost of the hardship is less than $300; thus if a fund was set up that limited students to a maximum disbursement of $500 per academic year for a qualified hardship, the fund could hold $100,000 and could be able to assist 200 students per year. Surely, there would be subsidiary costs involved in both processing applications and verifying expenses as well as in issuing funds, but if the Foundation does not agree that the plan is feasible due to financial constraints, it must consider the cost of attrition, and as Delen has explained, “Retaining existing customers is crucial because the related research shows that acquiring a new customer costs roughly 10 times more than keeping the one that you already have” (p. 19). Additionally, Jones (1986) has pointed out that administrators, who may not initially be interested in a student retention program, particularly if it will cost money, will likely be persuaded by the significant gain in revenue generated by a modest 25% increase in student completion.

Figure 1

Wake Tech Foundation 2010-2011 Fund

2011 Statement of Financial Position

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| Assets | Unrestricted | Temporarily Restricted | Permanently Restricted | Total |
| Cash and Cash Equivalents | $916, 208 | 0 | 0 | $916, 208 |
| Accounts Receivable | $51,000 | $62,424 | 0 | $113,424 |
| Investments | $1,812,470 | $1,551,550 | $1,530,172 | $4,894,192 |
| Pledges Receivable-Current | 0 | $10,000 | 0 | $10,000 |
| Advances for Emergency Funds to Students Net of Allowance for Doubtful Accounts of $0 and $11,500 at June 30, 2011 and 2010, Respectively | 0 | 0 | 0 | 0 |
| Refundable Sales Tax | $504 | 0 | 0 | $504 |
| Total Current Assets | $2,780,182 | $1,623,974 | $1,530,172 | $5,934,328 |

*\*information from Wake Technical Community College Foundation http://foundation.waketech.edu/page.aspx?pid=311*

A Call for Action

After collecting and analyzing data, a teacher leader must then take the opportunity to present the findings and propose the project to the appropriate stakeholders, in this case the Board of Trustees of the Wake Technical Community College Foundation. This task can seem daunting and intimidating. Teachers fear that they may be perceived as Polly Anna-ish or

worse--downright foolish. Barth (2001) explains that teachers do not like risk, and risk is precisely what is required to introduce a transformation. A lack of confidence is also to blame for the fear of speaking up. Teachers may not believe in themselves enough to trust that their passion and problem-solving skills are meaningful contributions to the institution. As David Hollister (n.d.) explains in an article for the Institute of Educational Leadership, teachers should not be intimidated by the process of presenting a proposal. If they believe in their vision, teachers need to share their emotional and intellectual commitment if they intend to have any effect. Hollister has described emotional commitment as traditional activism, and has ascertained that these folks “are highly motivated and are anxious to get involved to try to change conditions, but they normally have little historical perspective and are unable to articulate their goals. On the other hand, someone who is intellectually committed understands the historical significance of the change being advocated and has a sophisticated understanding of the interrelationships, the nuances, and the subtleties of the situation” (p. 27). Ultimately, Hollister has suggested that both levels of commitment are crucial to a leader’s strategy. Finally, Hollister recommends that teachers should not accept a negative response from formal decision-makers. He explains that no matter how logical or practical an idea is, it will likely not be accepted the first time it is presented. Instead, teachers should expect to answer tough and sometimes even hostile questions and go back and modify their plan with the intention of presenting the idea again.

Implementation

Often, once a teacher gains the approval required for reform, he or she treats it as a victory and assumes no further responsibility. It is, however, crucial that the teacher be ready and willing to take the necessary action to implement the change. A teacher cannot assume that an administrator or other personnel will take the initiative to implement the change. In the case of establishing an emergency fund, I do not expect to have to allocate funds if the project is approved, and I am certainly not qualified to do so; however, I do anticipate putting in the time and effort to promote the fund to instructors, students, and the community. I also expect to speak about the fund during professional development conferences and other meetings to explain the fund, where it originates from, and how students can access it. Furthermore, I foresee assuming responsibility for gathering all data collected by instructors whose low-income students have utilized the fund, analyzing the data, and documenting the fund’s effectiveness. Initially, results will be based on students who completed courses who might otherwise have had to drop out of school. Evaluating the fund’s effectiveness in direct correlation to the attrition rate would have to be completed over a period of approximately 4 years, given the large population of part-time students. Furthermore, if the anticipated outcome is not realized, it is critical for the teacher to reevaluate and refine the project in an effort to make it more effective. An immediate change does not necessarily denote failure. In a case study relating to the implementation of educational reform, Dove and Freeley (2011) concluded that innovations are not a one-time occurrence but rather an evolving process that is first presented, then amended and sustained.

Conclusion

As Wetzler (2010) has expressed, “The bleak reality in our nation is that children's economic background and race are still the most reliable predictors of whether they will attend college” (p. 25). Not only does economic background and race determine whether or not a student will attend college, but unfortunately, these distinguishing features play a substantial role in whether or not a student will persist in college. As a teacher leader, I must assume responsibility for these students, and champion for change where I observe an exigent need for transformation. It is apparent that further studies must be conducted to accurately assess the demand, cost, and return on investment of establishing an emergency fund; however, initial findings show that by establishing such a fund at Wake Technical Community College, the college could potentially eradicate one great cause of attrition.

References

Barth, R. (2001). *Learning by heart*. San Francisco: Jossey-Bass.

Barth is a cheerleader for both novice and experienced teachers to be the best that they can be as leaders in their institutions. His text is full of practical ideas that are easy to implement. A large part of his text is devoted to formal leaders and how they should shape and support teacher leadership within their institutions.

Burley, H., Butner, B., & Cejda, B. (2001). Dropout and stopout patterns among developmental

education students in Texas community colleges. *Community College Journal of Research & Practice*, *25*(10), 767-782. doi:10.1080/106689201753235903

Burley, Butner, and Cejda examine the drop out and stopout (students who leave community college for a period of time and return) habits of students attending community college. They have discovered that the students with the highest percentage of dropout rates are those who require remediation; however, they insinuate the rate could be even higher without remediation since the students in need are not ready to handle credit hour college courses. One important finding in their study is that the highest percentage of students requiring remediation are minorities; their study specifically points to African American and Hispanic students.

Delen, D. (2011). Predicting student attrition with data mining methods. *Journal of* *College*

 *Student Retention, (3)*1, 17-35. doi: 10.2190/CS.13.1.b

Delen uses three analytical models (artificial neural networks, decision trees,

and logistic regression) to determine which students are at risk for dropping out of college. Though Delen asserts an 80% success rate of predicting student dropout rate through data mining methods, the key finding Delen articulates is that students need to be identified as at-risk, and appropriate intervention methods must be put into place to aid these students in completing a terminal degree.

Dove, M. G., & Freeley, M. (2011). The effects of leadership on innovative program

 implementation. *Delta Kappa Gamma Bulletin*, *77*(3), 25-32.

Researchers studied the integration of the Dunn and Dunn Learning Style Model into a middle school and discovered that effective implementation required numerous factors to work harmoniously together to smoothly introduce a change. Most notably, researchers defined different leadership styles and evaluated them for efficacy and determined that leadership style plays a significant role in successfully implementing educational reform.

# Eaton, J.S. (2007). The Cohen contribution to community college leadership. *Community*

#  *College Review, 34*(3), 202-214. doi: 10.1177/0091552106296645

# Eaton draws heavily on Cohen’s research over the last decade to prove that the open door policy at community colleges has left this domain with the same challenges in the 21st century as it faced more than 10 years ago. However, now community colleges, rather than acting as feeder schools to four year universities (as Cohen had envisioned), act as a portal to an immediate occupation.

Hollister, D.C. (n.d.). A public policy primer: How to get off the sidelines and into the game.

 Retrieved from <http://www.iel.org/pubs/publicpolicy.pdf>

Hollister explains the multifaceted process of decision making in a democratic society and reveals how individuals and groups can have their voices heard by providing a useful primer on public policy. Teacher leaders will find his appendix, “A Simple Guide for Social Change,” particularly helpful as he outlines the ten elements of power and provides a step-by-step strategy to successfully institute reform.

## Hoyt, J. (1999). Remedial education and student attrition. *Community College Review,* *27*(2),

## 51 – 72.

Hoyt examines student retention based on characteristics of students. His key findings indicate that the most significant factors contributing to student attrition are the need for remediation and financial support.

Johnson, L. (2011). Community college dropouts cost taxpayers nearly $1billion a year, report

 says. Retrieved from <http://chronicle.com/article/Community-College-Dropouts/129475/>

This brief article provides an eye-opening account of the real cost to colleges and taxpayers of attrition in community colleges.

Jones, S.W. (1986). No magic required: Reducing freshman attrition at the community college.

 *Community College Review, 14* (2), 14 – 18.

Jones discusses the discrepancies in numerous studies conducted to identify students who are at risk of dropping out of college. He suggests that institutions take a statistical approach to identify at-risk students and put into place a plan to reduce attrition, but he notes that research demonstrates that interaction between faculty and support staff with students to help students feel connected to the college is one of the most effective means of retention.

## Katsinus, S.G., Kinkead, J.C., & Kennamar, M.A. (2009). Summary and possible directions for

##  research and practice. *Community College Journal of Research & Practice*, *33*, 658-

##  664. doi:10.1080/10668920903029057

Although Katsinus et al. mostly focus on accreditation and collaboration, they make some excellent arguments about defining a single QEP topic in community colleges since all students come with individual contexts, such as jobs (full and part time), family obligations, and financial concerns.

## Wake Technical Community College Foundation. (2011). Financial statement. Retrieved from

##  http://foundation.waketech.edu/page.aspx?pid=312

The Wake Tech Foundation website describes its mission statement and openly provides information to the public about its programs, its available aid to students, its board of trustees, and its financial statements.

Wetzler, J. (2010). Developing teachers as leaders. *Change: The Magazine of Higher Learning,*

 *42*(6), 25-32. doi: 10.1080/00091383.2010.523403

Wetzler documents the experiences of a Teach for America teacher and her experience with teacher leadership. He recommends that all teachers become leaders by setting big goals, getting students on board with the goals, planning with a purpose, constantly evaluating and increasing effectiveness, and working tirelessly for the better good.