

# SCHOLARSHIP DOLLARS AT WORK

In this issue of the Enrollment Management Newsletter we focus on scholarships and grants – sources of “free money” that allow students to finance their education with less reliance on other funding sources, such as student loans. We analyze the “take rates” (see below) of freshman merit scholarship recipients and dive

into sources of and trends in scholarships and grants – including the relationship between increases in scholarships/grants and decreases in student loans.

For questions, comments, and suggestions, please contact: [enrollmentmanagement@purdue.edu](mailto:enrollmentmanagement@purdue.edu).

## TAKE RATES OF HIGH MERIT SCHOLARSHIPS

NONRESIDENTS AWARD AMOUNT	ALL OFFERS			OFFERS THAT INCLUDED EQUITY AID		
	2013-14	2014-15	2015-16	2013-14	2014-15	2015-16
\$5,000	25.6%	14.3%	15.3%	35.0%	12.3%	17.1%
\$6,000	24.1%	25.9%	17.9%	23.8%	14.3%	35.0%
\$10,000	29.7%	20.0%	23.7%	37.8%	21.4%	41.5%
\$12,000	21.7%	22.2%	-	34.5%	0.0%	-
\$15,000	-	31.6%	25.4%	-	30.8%	36.0%
\$16,000	25.6%	44.4%	35.3%	40.0%	40.0%	48.3%
\$20,000 / \$25,000	37.0%	16.7%	-	27.3%	100.0%	-
<b>TOTAL</b>	<b>27.7%</b>	<b>17.3%</b>	<b>20.7%</b>	<b>36.1%</b>	<b>18.1%</b>	<b>28.6%</b>

RESIDENTS AWARD AMOUNT	ALL OFFERS			OFFERS THAT INCLUDED EQUITY AID		
	2013-14	2014-15	2015-16	2013-14	2014-15	2015-16
\$2,000	-	-	60.0%	-	-	76.2%
\$4,000	60.5%	54.1%	55.2%	61.8%	56.0%	63.0%
\$8,000	57.7%	55.3%	62.8%	71.2%	56.5%	70.0%
\$10,000	51.0%	62.1%	55.4%	43.3%	63.0%	68.1%
\$15,000	66.7%	57.1%	-	72.7%	50.0%	-
<b>TOTAL</b>	<b>58.8%</b>	<b>56.0%</b>	<b>57.4%</b>	<b>63.6%</b>	<b>57.9%</b>	<b>66.8%</b>

### DEFINITIONS

#### Take Rate

Of all admitted students who have been offered a particular scholarship, the take rate is the percentage of those who have accepted their offer of admission and plan to enroll.

#### Gift Equity

Gift aid (free money) is awarded to students based on need to promote fairness in financial aid awarding. As of 2015-16, it can cover up to \$5,500 for Indiana residents and up to \$20,000 for nonresident high merit students.

#### High Merit Awards

High merit awards in this analysis include Trustees, Presidential and Emerging Leader scholarships. Award values range from \$2,000 to \$16,000/year depending on residency and award type.

Selected through a holistic review, recipients demonstrate exceptional academic achievement, leadership and service in school/community.

For more information, visit [admissions.purdue.edu/costsandfinaid/index.php](http://admissions.purdue.edu/costsandfinaid/index.php).

Overall, the take rate of students who were offered high merit scholarships decreased from 2013-14 to 2014-15. This was expected as Purdue moved to the Common Application, which allows prospective students to apply to multiple institutions with little extra effort. The result is that students are more likely to apply to more schools in which they are less interested.

Therefore, in 2015-16 Purdue changed its aid packaging policies for high merit recipients to entice more of these undecided admitted applicants to choose Purdue. This strategy appears to have worked most effectively for

the students with gift equity aid (the group with the most need). For this group, most of the take rates held steady or surpassed 2013-14 rates (before the Common Application), demonstrating that aid packaging policies may have had a significant impact on those students' decisions to accept admission offers.

A study from the Journal of Student Financial Aid found total grant aid to be “a statistically significant contributor to the rate of low-income enrollment, though individual aid sources do not share the same relationship. This suggests that each option on its ... **Continued on Page 2**

## TAKE RATES (CONT'D)

... own does not contribute to greater low-income student enrollment, but the grant aid package as a whole does" (Lassila 34). Similarly, Purdue students who were offered a high merit scholarship in addition to gift equity aid were more likely to accept an offer of admission than those who did not have equity aid in their financial aid package.

When looking at all students with high merit scholarship offers, overall take rates have remained relatively flat. There is room for improvement in the take rate for nonresidents, specifically for the top scholars who our peer institutions competitively recruit. Purdue will continue to evaluate and modify scholarship and gift equity packaging policies as necessary to ensure that the university can continue to attract top students from Indiana and across the country.

Lassila, Nathan E. (2011) "Effects of Tuition Price, Grant Aid, and Institutional Revenue on Low-Income Student Enrollment," *Journal of Student Financial Aid*: Vol. 41: Iss. 3, Article 2. Available at: <http://publications.nasfaa.org/jsfa/vol41/iss3/2>

## \$13,695,951 RAISED IN 24 HOURS

### What is the Purdue Day of Giving?

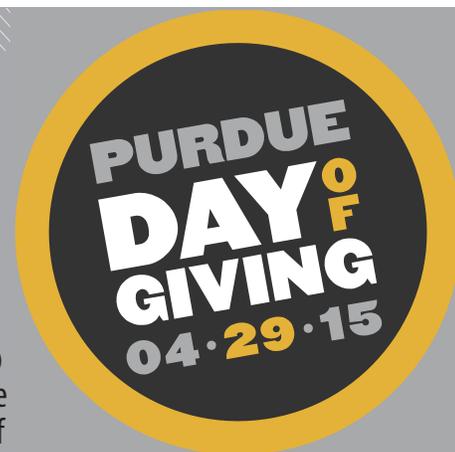
Purdue Day of Giving is an online fundraising event that began in 2014. For 24 hours students, alumni, faculty, staff, parents and friends come together to grant opportunities and transform lives.

### What is the Purdue Scholarship Fund?

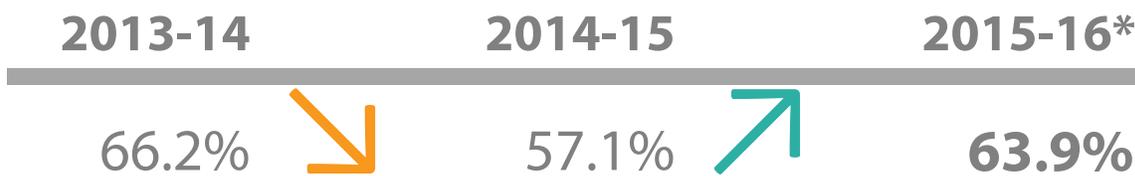
The Purdue Scholarship Fund is a general scholarship fund that benefits undergraduate students across the Purdue West Lafayette campus. On the Purdue Day of Giving, the University matched any cash gift given to the Purdue Scholarship Fund dollar for dollar. All money raised in 2015 will be distributed to students' financial aid packages in the 2015-16 academic year. This matching program will benefit Purdue's students immediately, and will help address affordability.

### How did the Purdue Day of Giving affect 2015-16 scholarship recipients?

Scholarship recipients benefited in a number of ways. Donors were able to state a preference to support scholarship funds for students studying in a particular college or school. Funds that were not specified for a particular college or school were used to increase the award amount of the Marquis Scholarship from \$2,000 to \$4,000, not only for incoming freshmen, but for all Marquis Scholarship recipients currently enrolled at Purdue.



## MARQUIS SCHOLARSHIP TAKE RATES



### \*Award increased from \$2,000 to \$4,000

The Marquis Scholarship was established to help middle income Indiana families that qualify for little to no federal and state gift aid. Selections are made by the Division of Financial Aid and the scholarship is renewable for up to eight semesters of full time enrollment. Selection criteria include:

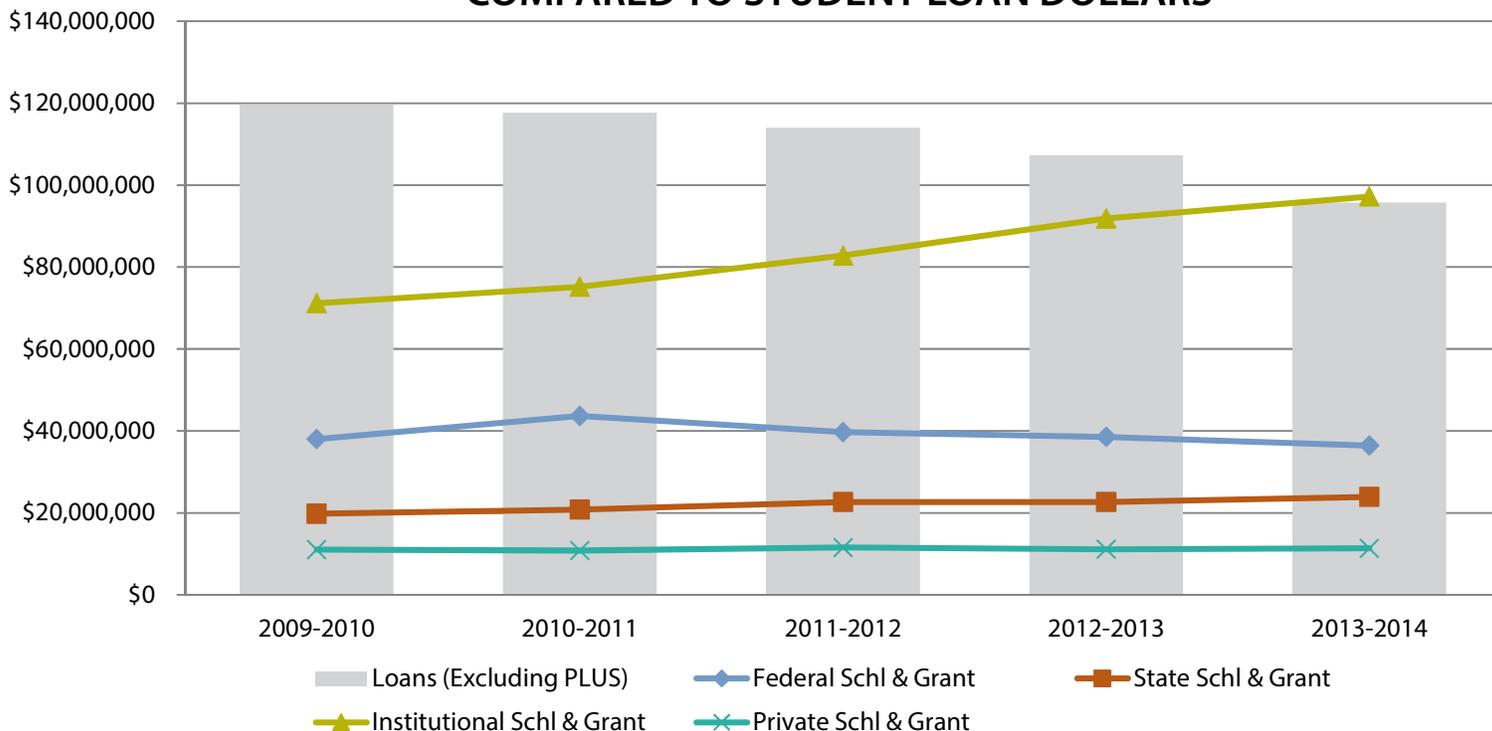
- On-time FAFSA (by March 1 prior to fall enrollment)
- Family income (student and parent) between \$40,000 and \$100,000
- SAT verbal + math  $\geq$  1150 or ACT composite  $\geq$  25

- Core HS GPA  $\geq$  3.40
- Beginning incoming freshman
- Indiana resident
- Full time enrollment

Because these students come from middle income backgrounds, they may be more price sensitive than some of the high merit recipients from more affluent households. The Division of Financial Aid believes this price sensitivity accounts for a higher take rate in 2015-16, when the award increased from \$2,000 to \$4,000.

# EVOLUTION OF SCHOLARSHIPS AND GRANTS

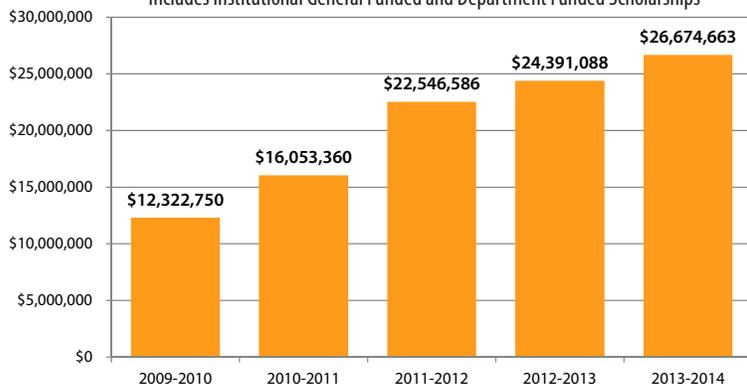
## UNDERGRADUATE SCHOLARSHIPS & GRANTS BY SOURCE COMPARED TO STUDENT LOAN DOLLARS



While total scholarships of undergraduate students have increased 20.6% over the past five years (from \$140.1 million to \$168.9 million), the majority of that increase stemmed from the rise in institutional scholarship dollars (\$71.1 million to \$97.2 million, a 36.6% increase). State awards have also risen steadily (from \$19.8 million to \$23.9 million, a 20.5% increase). Federal scholarships and grants decreased 4.2%, while private scholarship and grant dollars remained relatively flat.

### TRUSTEES & PRESIDENTIAL SCHOLARSHIPS

Includes Institutional General Funded and Department Funded Scholarships



The Trustees and Presidential Scholarship program began with the cohort of new beginning freshmen who entered in 2008. The original program reached a steady state of four enrolled cohorts in 2011-12. The next year additional funding was provided for a set of \$5,000 scholarships for the purpose of enhancing domestic nonresident yield of admitted students. If it is not expanded again, the general funded portion of the program will reach a steady state in 2015-16.

Trustees and Presidential scholarships increased by \$14.4 million over the past five years from \$12.3 to \$26.7 million (a 116.5% increase), helping attract more high achieving students and strengthening Purdue's undergraduate academic profile. All individual types of institutional scholarship and grant aid have increased over the last five years except employment-related fee remissions, which is down a small amount (\$165,489, -2.8%).

*Undergraduate institutional grant and scholarship aid has surpassed student loan dollars, an unprecedented event at Purdue.*

Interestingly, as undergraduate scholarship and grant dollars have increased, loans borrowed by students have decreased at a similar rate from \$119.7 million in 2009-10 to \$95.7 million in 2013-14. While this decrease is attributed to a number of factors, increasing institutional scholarships is no doubt a major driver of this change. Undergraduate institutional grant and scholarship aid has surpassed student loan dollars, an unprecedented event at Purdue. We expect to see the gap between institutional gift aid and student loans to grow further, especially with the additional funds raised during the Purdue Day of Giving and other development efforts.