A conversation: How private scholarships work for, and against, college affordability

Today’s Webinar Speaker
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THE HIGH COST OF PAYING FOR COLLEGE
33% OF HIGH SCHOOL STUDENTS DON’T ENROLL BECAUSE THEY DO NOT BELIEVE THEY CAN AFFORD IT
22% OF STUDENTS WHO DO ENROLL DROP OUT BECAUSE THEY DO NOT BELIEVE THEY CAN AFFORD IT
FACT: The way students buy education today is almost completely backwards from how they buy nearly everything else.

Basic Scholarship Facts

- Only about 8% of undergrads get private scholarships
  - Average = $3,852

- Only about 6% of undergrads get scholarships from employers
  - Average = $4,618

Source: NPSAS 2015

QUESTION: Why don’t more students leverage private scholarships to make college more affordable?
Basic Scholarship Facts

51% of students who reported receiving no outside support had a degree 6 years later.

68% of students who reported receiving up to $1,000 in aid had a degree 6 years later.

76% of students who reported receiving between $1,000 and $5,000 in aid had a degree 6 years later.

Source: NPSAS 2015

ANSWER #1: They’re “budget blind.”
The decision to pursue scholarships often doesn’t happen until the award notification stage based on the financing gap.

ANSWER #2: Competitive scholarships are a gamble, which makes them unreliable for planning purposes.
Basic Scholarship Facts

Students whose parents’ highest education level is an associates degree received, on average, $3,207 in private grants.

Those whose parents’ highest education is a research-based doctorate received, on average, $5,272 in private grants.

Source: NPSAS 2015

ANSWER #3: Private scholarships don’t open/close on set timetables.

ANSWER #4: Scholarship displacement discourages searching and applying for this kind of aid.
Students at public institutions receive, on average, $3,340 while students at private non-profits receive, on average, $4,813. Those who report they’re primarily students “working to meet expenses” receive, on average, 50 percent more in private grant aid than those who say they’re primarily “employees who decided to enroll in school.” ($4,221 versus $2,992).

Source: NPSAS 2015

ANSWER #5: Every one of these challenges gets exacerbated when controlling for things like race, ethnicity, first-gen and family income.

Average private scholarship amount by race/ethnicity:
- White: $3,489
- Black: $4,204
- Hispanic: $3,884
- Asian: $5,687
- Multi-race: $4,605

Source: NPSAS 2015
What’s the solution?