



The Scholarship Foundation of St. Louis

Program Review: Student and Organizational Financial Status

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Mission Statement

Founded in 1920, The Scholarship Foundation of St. Louis is based upon the conviction that an educated citizenry is essential to a democracy. The Scholarship Foundation of St. Louis provides access to postsecondary education to members of our community who otherwise would not have the means to fulfill their educational goals.

Executive Summary

Applications for new funding increased 22% over last April's cycle; as a result, the budget for the 2008-09 academic year was amended to include a \$450,000 increase bringing the total new loan budget to \$3,250,000. The total dollars awarded thus far are up more than \$150,000 and applications from the April cycle still pending will exhaust the \$200,000 allocated from the increase for the spring cycle. No projections for November or emergency applications have been factored in the reported totals.

Maximum undergraduate interest-free loan awards increased to \$6,000 per student from \$5,500 last year, a decision made prior to the increase in applications was known. The average amount that a family is expected to contribute toward the cost of a student's education (Expected Family Contribution) has decreased to \$3,440 from \$3,863 last year, effectively negating the increase of the undergraduate loan maximum. The amount a student must cover out of pocket by borrowing from other sources or working (unmet need) remains the same as reported last year, approximately \$4,000.

A majority, 56%, of interest-free loan recipients are borrowing at least \$10,000 on an annual average (\$6,000 interest-free loan and \$4,000 from other sources). Students are reporting an increase in grant aid; however significantly increased tuition has resulted in a zero net change in the cost of attendance to financially needy families. Additionally, the ratio of loan to grant dollars set by the board of directors at the 2005 retreat has moved further from the target in the last year.

Application Volume and Status

Interest-Free Student Loan Program

Applications are available twice per year: January 1 through April 15 and again August 1 through November 15. The table below recognizes two groups of students: applications funded by both deadlines for 2007-08 and those applications funded from the first deadline of the 2008-09 academic year.

	New Applications	Renewal Applications	Total Applications	Total Awarded Students	Total Dollars Awarded
2007-08	385	514	899	677	\$2,822,078 final
2008-09*	473	611	1,084	594	\$2,972,925 7/1/08

*Figures presented are not final counts and **do not include projections for November 2008 applications** (last year 124 new awards were made); November awards are for one semester only.

Recipients in the Pipeline

Applicants may re-enter the interest-free loan program throughout their educational career including deciding to continue their programs without receiving funding for a period. Graduating students are eligible for a twelve month grace period prior to entering a five-year scheduled repayment of the interest-free loan.

	Awarded New	Awarded Renewal	In School	In Grace	In Repayment	Total
2007-2008	244	433	248	172	1,386	2,483
2008-2009**	185	422	259	202	1,305	2,373

**based on awarded totals as of 7/1/2008.

What's Important to Know

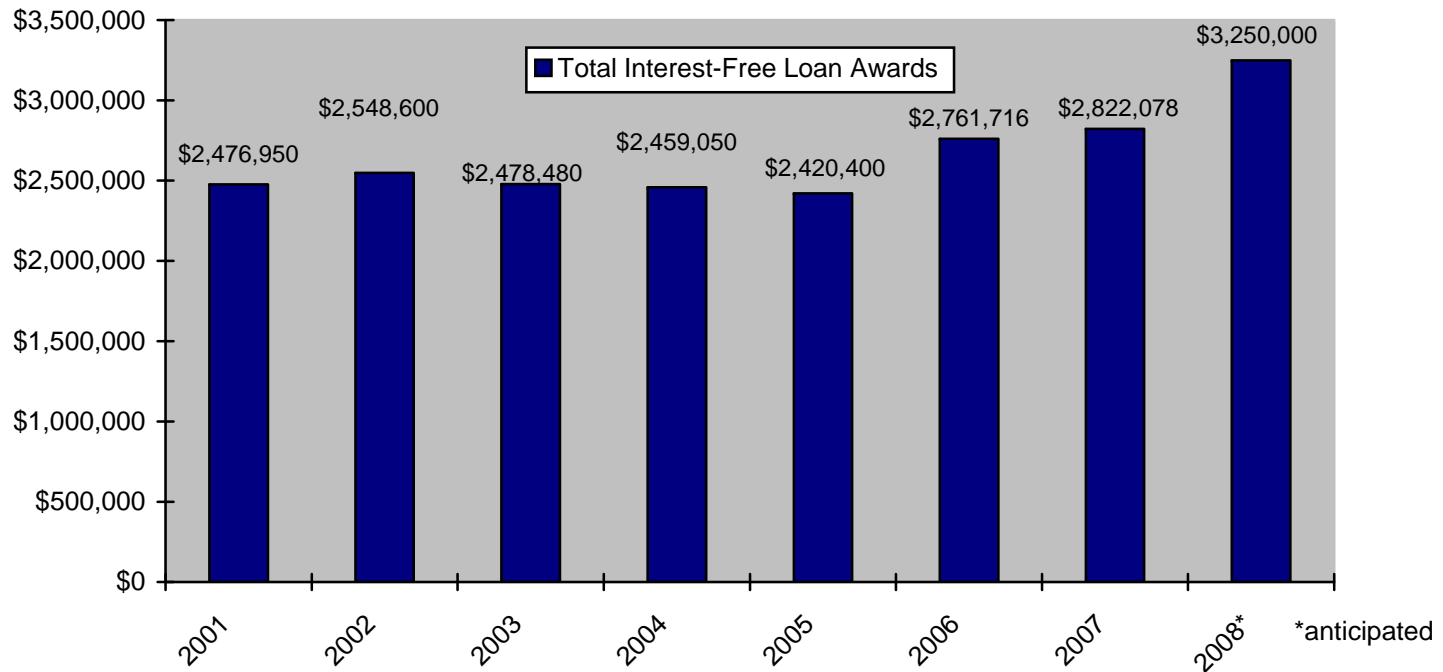
- Applications for new funding increased 22% over last April's cycle.
- Total dollars awarded are up more than \$150,000 BEFORE November 2008 and Emergency applications

Interest-Free Loan Program

Interest-Free Loan Awards

As of 7/1/08, there are 594 students receiving an interest-free loan: **486 are undergraduate and 108 (18%) are graduate students. The undergraduate average award for 2008-09 is \$4,878.** Last year undergraduate students borrowed \$4,473 on average.

Please note: Total loan awards are based on an academic year and not fiscal or calendar year reporting.



What's Important to Know

- Undergraduate interest-free loan award maximum increased to \$6,000 per student this year from \$5,500 last year.
- Budget for the 2008-09 amended to include a \$450,000 increase; total new budget total for 2008-09 is \$3,250,000

Grant Programs

The Scholarship Foundation awards approximately \$200,000 each year in need-based grants to interest-free loan applicants. Students do not apply for any grant program, however. Rather, the application is nominated for consideration of grant funds based on eligibility criteria described in Appendix A. Additionally, refer to Appendix C about how administrative responsibility for various grant and loan programs is plotted on the continuum of services.

Grant Program	New Recipients	Renewal Recipients	Total Recipients	Total Dollars
Bravo	9	34	43	164,000
Quadrangle	1	2	3	7,500
Stay to Learn	1	2	3	15,000
University Club	N/A	8	8	16,000
Total	11	46	57	202,500

Loan: Grant Ratio

At a retreat of the board of directors in 2005, The Scholarship Foundation set a goal to achieve a loan to grant ratio of 90:10.

Year	Loan Awards	Grant Awards	Ratio
2006	\$2,761,716	\$175,150	94:6
2007	\$2,822,078	\$204,600	93:7
2008	\$3,250,000	\$202,500	94:6

What's Important to Know

- Ratio of loan to grant dollars has moved further from the target in the last year.
- Loan amounts are increasing while grant funds are stagnant or declining.

Support Services

Refer to Appendix C for more information about the continuum of support services.

Student Ambassador Program

In order to meet the incredible demand for information, The Scholarship Foundation has created another layer of support for families in need. Student Ambassadors support Advocate work by making initial contact with the families that attend college fairs and other outreach events throughout the year. Ambassadors do not provide individual assistance to students.

Student Advocate Program

The Student Advocate Program is an outreach effort of The Scholarship Foundation assisting financially needy students with completion of financial aid and interest-free loan application processes. Students targeted by this program tend to lack motivated peers or interested adults in their lives. Completing the necessary paperwork in order to be considered for financial assistance with college costs is difficult and assistance with the process has increased the likelihood of funding.

Student Advising Program

The Advisor Program allows current and prospective interest-free loan program participants access to academic planning and support services and referral to other resources at The Foundation or within the community. Students are able to self-identify using The Scholarship Foundation website and others will be referred by program staff and Student Advocates. There are **three layers of support** offered to students utilizing this support service: conversation and referral; planning and conferencing. After an initial assessment, the Advisor and student agree upon an appropriate level of support based on identified needs.

Results for 2008-09 Academic Year

Program	Services Provided	Students Assisted	Dollars Awarded	Annual Operating Expense
Ambassador	Outreach Events	N/A	N/A	\$5,000
	Phone Follow-up			
Advocate	Assistance with Financial Aid Applications (inc. federal)	97	\$477,100	\$50,000
Advising	Conversation and Referral	52	N/A	\$16,000*
	Planning	52		
	Conferencing	13		

*prior to February 2008 the Program was staffed on a 10 hour per week basis; the staffing has since increased to 20 hours per week and thus the budget for next year will more accurately reflect continuing operating expenses.

Undergraduate Student Financial Data

Students receiving the maximum \$6,000 loan award represent 56% of the undergraduate population. Please refer to the Case Studies in Appendix B for descriptions about how the data reported below factors into a student's ability to afford educational expenses.

Academic Year	Average EFC	Average Other Grant Aid (does not include loans)	Average Remaining Unmet Need (after SF)	Average Interest-Free Loans
2007-08	\$3,863	\$7,677	\$3,965	\$4,473
2008-09	\$3,440	\$9,612	\$4,095	\$4,878

The Expected Family Contribution (EFC) is determined by federal methodology based on annual income and asset information reported by the student and family on the Free Application for Federal Student Aid (FAFSA).

What's Important to Know

- Average EFC has decreased.
- While the average grant aid has increased, average unmet need remains consistent with prior years.
- Costs continue to rise.
- Students must borrow an average of \$4,000 from other sources after SF loans.
- Consequently, a debt load of \$10,000 (combining SF and other loans) annually per student is average for our population.

Appendix A

GRANT PROGRAMS

The Bravo Fund –

The students assisted by the Bravo Fund are recipients of the interest-free loan program. All students selected have significant financial need, demonstrate strong character, and are well matched with their academic goals. In addition, recipients have demonstrated an ability to transform adversity into opportunity working toward degree completion despite otherwise overwhelming personal odds. Award amounts are based on maximum loan eligibility and remaining unmet need. Typically, grant amounts match the loan amount but never does the grant exceed or replace the interest-free loan.

Quadrangle Fund for Education –

This fund provides grants up to \$2,500 to dependents of employees of Quadrangle Management Company, a wholly owned subsidiary of Washington University.

Stay to Learn Educators Grant –

This program is funded by a generous contribution from The Mildred, Herbert and Julian Simon Foundation. Applicants are identified by staff at the University of Missouri-Columbia Extension Program from participants in a mentoring program at the West End Community Center. If selected, these students receive interest-free loans as well as an additional \$5,000 grant for each year of their undergraduate education.

University Club Fund for Education –.

This fund supports renewable grants of \$2,000 each to as many as 15 undergraduate students per academic year. Recipients are the first generation to attend college and are among the most academically prepared of the applicants for the interest-free loan program.

Appendix B

THE SCHOLARSHIP FOUNDATION OF ST. LOUIS – CASE STUDIES OF STUDENT FUNDING ISSUES, 7/1/08

THE PERSON	Chris	Stephanie	Esma	Amber	Joshua	Ayriel
High school	University City 2008	DuBourg 2006	Afton 2006	Soldan 2008	Jersey (IL) 2008	University City - 2008
College	UMSL-business	SEMO-advertising	Webster-media	MUST (Rolla)	Illinois State U-history	Univ of MO-Columbia
Personal situation	<i>Father deceased. Mother unable to care for him. Lives with grandmother and 94 year-old great-grandmother with Alzheimer's.</i>	<i>Family of five. Mother is a secretary and father is a contractor. Total parent income \$36,000.</i>	<i>Bosnian. Parents working full-time for income of \$54,000. Family of four.</i>	<i>Mother is single parent earning \$44,000 and supporting family of three.</i>	<i>Mother is teacher's aide and father is farmer. Family income of \$61,000 supports five, two in college.</i>	<i>Mother is single parent receiving social security benefits of \$12,000/yr. Living in subsidized housing.</i>
THE MATH						
Cost of Attendance	\$16,634	\$15,477	\$26,500	\$16,081	\$16,970	\$16,004
Federal grants	\$4,131	\$4,460	0	\$2,131	\$1,981	\$6,081
State grants	\$2,150	\$1,350	\$3,910	\$1,830	\$4,050	\$2,150
School grants	0	0	\$9,000	\$300	0	0
Amount (%) the student and family must pay/finance.	\$10,353 (62%)	\$9,667 (62%)	\$13,590 (51%)	\$11,820 (74%)	\$10,939 (64%)	\$7,773 (49%)

HOW WILL THEY DO IT?

Each of the students depicted above will fill the remaining gap by a combination of the following:

EFC – In theory, this is the amount the family should be contributing to the education of this student. The formula is set by Congress, and works reasonably well as a measure of financial capacity for middle and upper-income families; however, for families with income under \$40,000 (2/3 of the students we assist), the EFC is rarely descriptive of any funds the family can provide.

Federal subsidized loans –Loans are packaged by the financial aid office and made at regulated rates of interest. Both interest and payments are deferred during the student's education and for six months following. The student is responsible for payment.

PLUS – Loans extended on the basis of credit-worthiness to parents of undergraduate students. Interest begins accruing immediately and payments must be made immediately as well. Government-backed.

FILLING THE GAP	Chris	Stephanie	Esma	Amber	Joshua	Ayriel
Amount the student and family must pay/finance.	\$10,353	\$9,667	\$13,590	\$11,820	\$14,584	\$7,773
EFC	\$1,408	\$1,115	\$5,803	\$3,385	\$2,795	\$0
Federal subsidized loans	\$4,500	\$4,500	\$4,500	\$5,300	\$3,500	\$4,500
PLUS	\$4,445	\$4,052	0	0	0	\$3,273

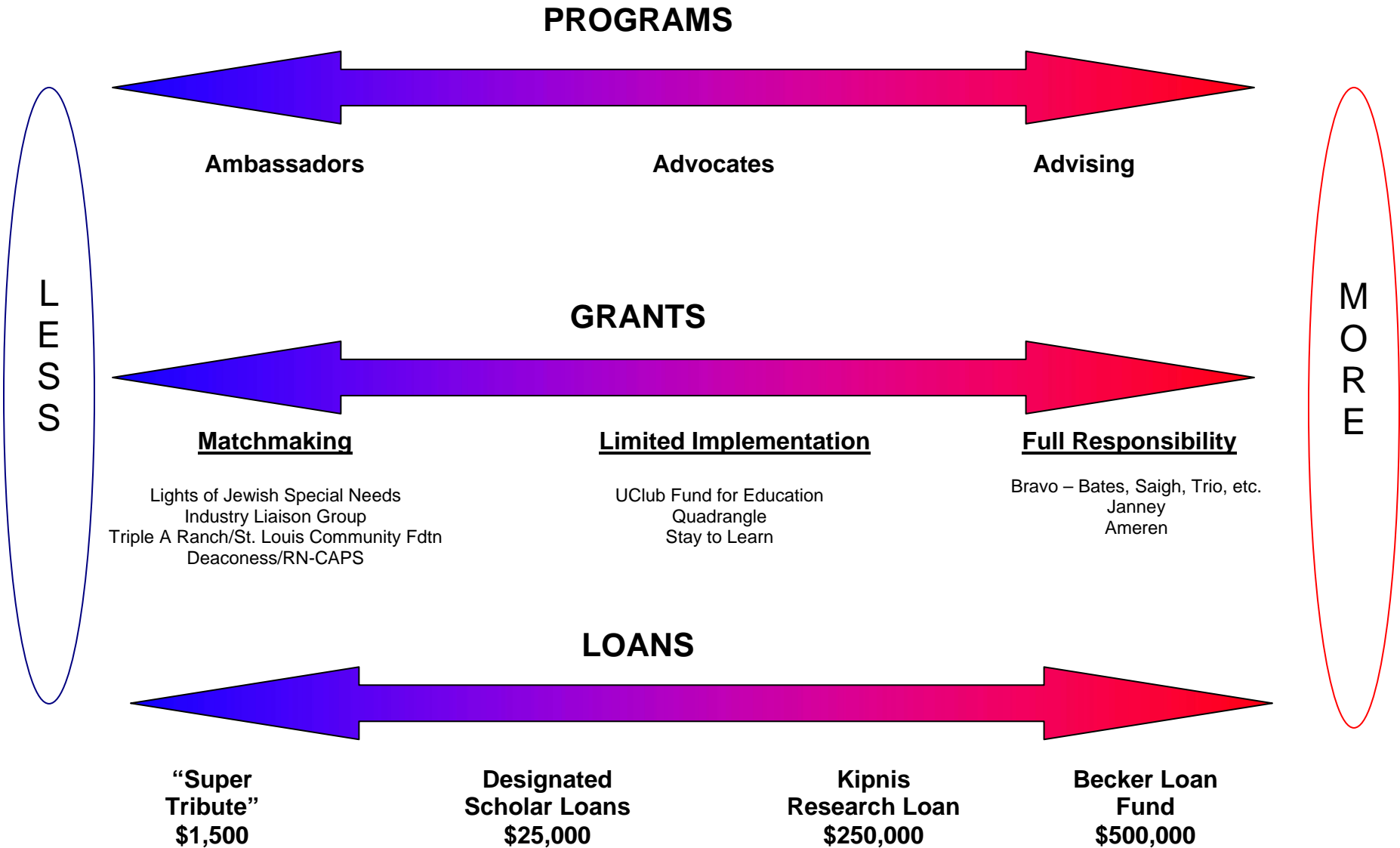
WHICH "LAST DOLLAR"?

Each of the students begins the funding process with a significant balance to fill after all grants are awarded. In some of these cases, the **EFC** and the **PLUS** are highly unlikely or practically impossible, given the family financial circumstances.

In each case listed above (with the exception of Esma who requested only \$3,000 in loan and receives a small Bravo grant) the student is receiving the maximum Scholarship Foundation loan of **\$6,000** for the coming year. Is this last dollar under these scenarios? How much annual debt is reasonable?

Appendix C

**Continuum of Scholarship Foundation
Program Support**



**The Scholarship Foundation of St. Louis
 Snapshot of Demographic Data
 2008-09**

Interest-Free Loan Totals:
 Students: 700 (loan) / 57 (grant)
 Dollars: \$3,250,000 / \$200,000

Pell Grant Recipients: About two-thirds of recipients receive some aggregate amount of federal Pell grant dollars determined by an Expected Family Contribution (EFC) of less than \$4,000. An EFC of up to \$12,000 can be considered for an interest-free loan. The average EFC is \$3,440.

Debt: On average, our students are borrowing \$10,000 annually to cover educational costs. Slightly more than half (56%) of students are borrowing the maximum interest-free loans to cover up to \$6,000 of those expenses. They work, reduce expenses or borrow from other sources to make up the difference.

Ethnicity: (38 students did not respond)

White – 53%	<i>African Nations – 2%</i>
Black – 33%	<i>Bosnian – 4%</i>
Hispanic – 1%	<i>(Immigrant students make up about 12% of overall population.)</i>
American Indian – 1%	
Asian American – 6%	

Age and Gender: Female students graduating from high school and then enrolling in college immediately in the fall are the largest student demographic.

		% of total	#
Female 65%	18-22 years	70%	425
Male 35%	23-25	16%	101
	Over 25	13%	80

School of Attendance: Almost 3 out of 4 students (71%) remain in Missouri; whether in Missouri or out of state, however, students split attendance between public (48%) and private institutions (52%). Although private schools tend to have a higher price tag, they also tend to offer greater financial aid packages for high achieving low income students. Students may have lesser out of pocket costs at a private school than if they had attended a public school.

Residence:

- In 2008-09, about 5% of current recipients originated in IL counties.
- The largest number of students come from St. Louis County, nearly 40% of current students.
- About 5% of students graduated from high schools out of the area.
- Graduates of St. Louis public high schools account for 24% of current first-time freshmen recipients and 15% of overall recipients.
- Students attending private or parochial high schools are represented at a rate of 22%.

Degree Programs: Four out of five students are in undergraduate degree programs; however, 18 percent of recipients are in graduate or professional degree programs.