

2016 Financial Hold Analysis



The tables below assess the impact of financial holds on undergraduate persistence at UIC. Previous research on UIC student success shows that finances are a major reason students are unable to return to UIC. This report explores the impact of financial challenges on retention by determining the proportion of students who left UIC in the spring 2017 semester for financial reasons.

Academic and Enrollment Services received a list of students who, during the fall 2016 semester, became financially ineligible to enroll for the spring 2017 semester. Students become financially ineligible to enroll when there is an unpaid balance owed to UIC. Academic and Enrollment Services cross-referenced the financial hold list with admission and persistence records to examine the impact of financial hold status on persistence. Table 1 presents the total number of undergraduates on financial hold for the spring 2017 semester by race/ethnicity and college. A total of 441 undergraduates were financially ineligible to enroll for the spring 2017 semester, 244 were in the college of Liberal Arts and Sciences, 60 were in the College of Business, and 52 were in the College of Engineering. One-hundred and seventy seven students were Hispanic, 91 students were Black, and 49 students were Asian.

Table 1. Fall 2016 Undergraduates on Financial Hold by Race and College

| College | Asian | Black | Hispanic | Int'l | Multi | Unknown | White | Total |
|---------------------------------|-----------|-----------|------------|-----------|-----------|----------|-----------|------------|
| Applied Health Sciences | 1 | 2 | 2 | 1 | | | 5 | 11 |
| Architecture, Design,& the Arts | 2 | 15 | 21 | | 2 | | 9 | 49 |
| Business Administration | 1 | 16 | 18 | 2 | 2 | | 21 | 60 |
| Education | | 1 | 7 | | | | | 8 |
| Engineering | 11 | 10 | 17 | 2 | 2 | | 10 | 52 |
| Liberal Arts & Sciences | 33 | 43 | 107 | 5 | 9 | 3 | 44 | 244 |
| Nursing | 1 | 2 | 1 | | | | 1 | 5 |
| School of Public Health | | 1 | | | | | 1 | 2 |
| Urban Planning & Public Affairs | | 1 | 4 | 1 | | | 4 | 10 |
| Total | 49 | 91 | 177 | 11 | 15 | 3 | 95 | 441 |

Table 2 derives the proportion of non-returning students on financial hold who did not return to UIC in the spring of 2017 by entering cohort. One-third of the fall 2016 cohort who did not return in the spring of 2017 were on a financial hold. Approximately 42 percent of the 2015 cohort who did not return in spring 2017 were on a financial hold. Each cohort had an average unpaid balance above \$6,800. Given the substantial unpaid balances, students with a financial hold were likely distressed about their financial situation to the point of being distracted from their coursework. They may have also prematurely gave up on their UIC tenure because of their impending balance. Table 2 also presents the cumulative GPA at UIC and selective index (SI) scores calculated from high school GPA and ACT scores to predict first-term GPA. The fall 2016 cohort cumulative GPA is 1.42. Despite such a low GPA, the average SI was 2.47. The SI indicates that students were academically prepared to be successful based on their ACT and high school GPA. Given the academic preparation of the fall 2016 cohort and their poor academic performance, the evidence suggests that the financial balance contributed to the poor academic performance.

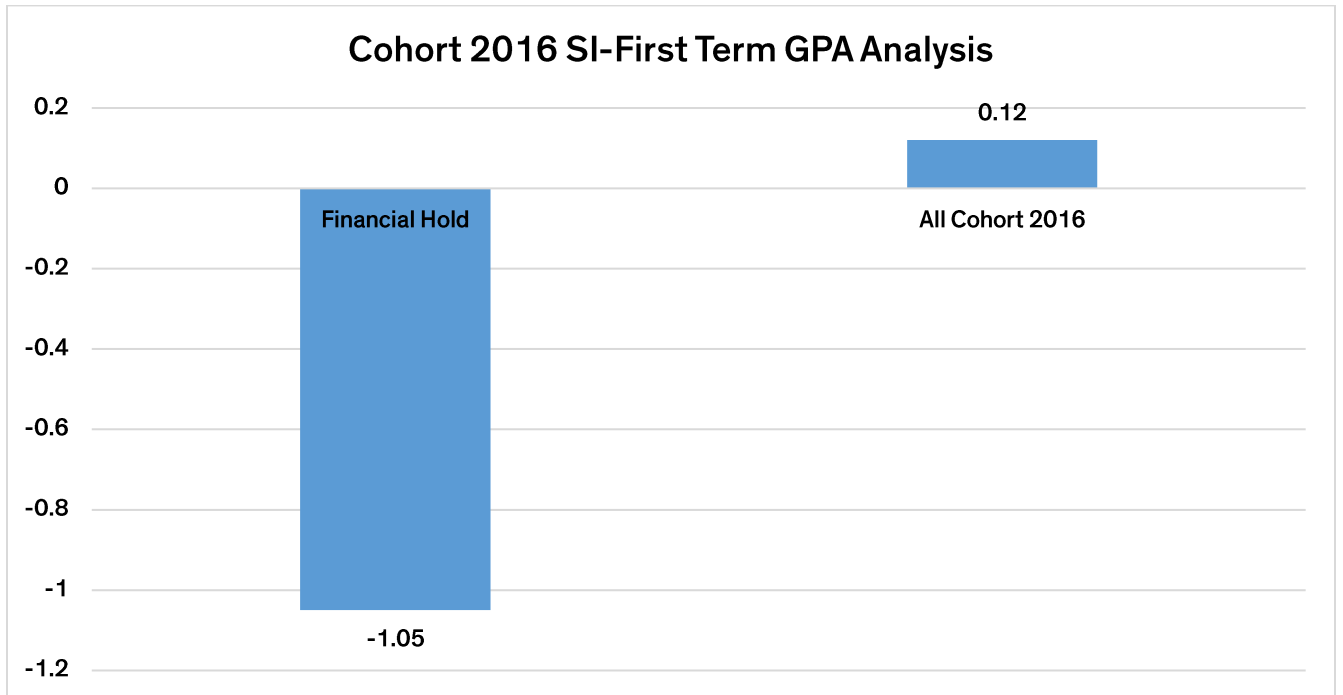
Table 2. Fall 2016 Financial Hold Analysis by Cohort

| Cohort | Balance | Cohort Enrolled Fall 16 | Total Enrollment Spring 17 | Total Non-Returning Students | Total Cohort on Hold | Held Cohort GPA | Held Cohort SI | % Non-Returning Students on Hold |
|--------|---------|-------------------------|----------------------------|------------------------------|----------------------|-----------------|----------------|----------------------------------|
| 2013 | \$7,924 | 1,961 | 1,837 | 124 | 13 | 2.37 | 2.83 | 10% |
| 2014 | \$6,824 | 2,183 | 2,111 | 72 | 14 | 2.22 | 2.67 | 19% |
| 2015 | \$8,207 | 2,774 | 2,622 | 152 | 64 | 1.87 | 2.65 | 42% |
| 2016 | \$7,467 | 3,306 | 2,986 | 320 | 107 | 1.42 | 2.47 | 33% |

Graph 1 provides further evidence of the financial burden. The graph presents the SI's predicted GPA and actual first term GPA for students on financial hold compared to students in the entire fall 2016 cohort¹. In 2016, entering students performed .12 GPA points higher than their predicted SI on average. However, students on financial hold performed 1.05 GPA points lower than their predicted SI.

¹ The fall 2016 cohort includes students on financial hold.

Graph 1. Cohort 2016 SI-First Term GPA Analysis



Evidence from this report reveals the difficult issue of admitting students with financial challenges. Although they have the academic ability to succeed, their financial strain often stifles their ability to succeed. What is an admissions/financial counselor to do when an admitted student displays financial challenges before attending UIC? Should the counselor encourage the student to attend UIC and risk early attrition? Should the counselor encourage the student to attend a community college first and risk decreasing the entering class size? Evidence from this report suggests that the retention rate could increase by approximately one-third through diverting students who present major financial challenges to community colleges. Diverted students could return to UIC through the Transfer Admission Guarantee (TAG) or Guaranteed Admission Transfer (GAT) programs. However, more research on other options is necessary.