



BOOSTing Transfer Pathways Through Strategic Finance and Affordability



TRANSFER
BOOST

An initiative by:
 **IHEP**

 **HCM**
— STRATEGISTS

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April 2023

Higher education is at a precipice. Despite the fact that a bachelor's degree provides access to quality, higher-wage jobs and benefits and provides increased economic mobility, particularly for those from racially minoritized communities, attainment rates fall short of what the workforce requires across the United States.¹ Shortcomings in transfer pathways interrupt thousands of students from earning a bachelor's degree each year. While 80 percent of community college students intend to earn a bachelor's degree, only 15 percent do so, with stark attainment gaps for Black and Latinx and/or Hispanic students.²

To address enrollment declines, low trust in higher education, institutional financial instability, and more, state and institution partners must be bold and innovative in their approach to transfer pathways. TransferBOOST (Bachelor's Opportunity Options that are Straightforward and Transparent) worked with partnerships across Arizona, Illinois, and Virginia on a four-part transfer affordability approach. The IHEP and HCM teams joined forces with rpk GROUP to offer technical assistance to TransferBOOST institutions and state partners and made strategic finance³ and college affordability a signature feature of the initiative. They sought to:

- **Collaborate on transfer pipelines:** Community colleges and four-year institution partners identified transfer student pipelines, estimated enrollments, and reviewed disaggregated student outcomes data together.
- **Engage new institutional actors in transfer efforts:** Partners engaged enrollment managers, chief financial officers, and student financial aid leads in conversations about how institutions are currently serving transfer students.
- **Understand the institutional benefits of transfer:** Partners calculated the financial return on investment (ROI) to their institutions from increased transfer student enrollments and attainment and completion outcomes.
- **Improve affordability for transfer students:** Partners considered how to invest in transfer students in ways designed to deepen affordability and improve student success.

Why focus on strategic finance and affordability?

The TransferBOOST initiative focused on strategic finance and affordability based on two key research findings:

- **Affordability matters a great deal for transfer students.**
 - Multiple studies have found that the cost of higher education and affordability are top concerns for transfer students, a finding that holds regardless of race, gender, or racial/ethnic background.⁴
- **Affordability for transfer students has typically not been well understood or prioritized.**
 - Enrollment managers and chief financial officers at four-year institutions are typically not engaged in conversations about transfer students, those “rendered invisible and underserved.”⁵
 - Only three states (California, Maryland, and Virginia) currently have financial aid that explicitly targets transfer students.⁶

[BOOSTing Student Success Through Equitable and Affordable Transfer Pathways](#) showcases key policy and practice takeaways from the initiative. This brief outlines the steps partnerships took to implement TransferBOOST and offers guidance on how institutions can use the [Transfer Affordability Financial Tool](#). It also provides clear steps for how states can support institutions in improving transfer affordability.

How Can Institutions Use the TransferBOOST Affordability Financial Tool to Anticipate Their ROI and Invest in Transfer Students?

The TransferBOOST Affordability Financial Tool enables colleges and universities to evaluate the expenditures and resources needed to build more affordable transfer pathways. The tool examines the potential financial return on investment to colleges and universities from increased student enrollment, retention, and completion through transfer, which in turn helps them determine the investments they need to make to support the equitable success of transfer students.*

Partners should follow four steps when using the tool:

Step 1: Engage a team with expertise

Consider which institutional stakeholders should be engaged. Ideally, the group has power to make decisions about investments, financial aid, and academic programs, so provosts, chief financial officers, enrollment managers, and financial aid leads are critical. Engaging key stakeholders early in the effort will allow them to understand the goals, rationale, and approach to improving affordability for transfer students. And while a single institution can fill out the tool, collaboration across sending and receiving institutions provides valuable insights on where there is room or need for growth in the transfer pipeline. Partners can also work together to understand the price for students for the entire pathway.

Step 2: Understand your student pipeline

Understanding the data on your transfer student pipeline is critical. Reflect on how and why you believe new students could be attracted to your institution and your partner transfer institutions. What are your assumptions about increases in new enrollments? If you expect more students, why? And perhaps most importantly, what are you doing differently in this improved transfer pipeline that you believe will lead to increased student recruitment, enrollment, retention, and completion?

The TransferBOOST Affordability Financial Tool

rpk GROUP built a [TransferBOOST Affordability Financial Tool](#) that enables institutions to examine their student pipeline and measure the revenue and expenditures resulting from improvements to enrollments and for retained students. The tool also informs decisions related to investing anticipated revenue to improve affordability for transfer students.

* This tool is designed to capture the financial return to colleges and universities; it does not estimate the return on investment to students.

Step 3: Enter financial data as directed in the tool

The tool enables institutions to understand the cost structure of transfer pathways and provide more precise ROI estimates, with guidance in the following areas:

- Anticipating revenue (e.g., estimate new enrollments).
- Anticipating direct expenses (e.g., estimate staff time for this effort).
- Capturing additional revenues and expenses (e.g., estimate additional revenues and expenses such as grant funding or IT costs, if relevant).
- Reviewing data assumptions (e.g., benefit rates that are used in underlying model calculations and can be customized).

Step 4: Direct investments to transfer students

With an understanding of new revenue anticipated from improved and well-promoted transfer pathways, institutions can direct new investments to support transfer students. The tool will calculate anticipated new revenue and includes guidance on how institutions might think about using the ROI generated to **directly invest** in transfer students and their success. Institutions in the TransferBOOST initiative took several steps to address affordability for these students, such as:

- Streamlining access to transfer scholarships either by removing stringent requirements and/or promoting and automatically awarding the fund.
- Reducing cost at the four-year institution by offering a tuition discount or transfer scholarship.
- Ensuring that the order of funds in the financial aid package provided the maximum funding available to students to cover non-tuition costs.
- Offering a free summer course and/or reducing costs for books.
- Articulating applied associate's degrees to ensure that all coursework counts, thus reducing time to and total cost for the bachelor's degree.

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How Can States Help Institutions Improve Transfer Affordability?

In addition to institutions' direct role in building affordable transfer pathways, the TransferBOOST initiative demonstrated the vital role of state support for institutions' and students' success. This support included creating a fertile policy environment where state funding, financial aid, data, and transfer policies can be knit together and leveraged to strengthen the design of transfer programs, with a particular focus on serving Black, Latinx and/or Hispanic, Indigenous, and Asian American, Native Hawaiian, and Pacific Islander (AANHPI) students, adult students, and students from low-income backgrounds.

Understand and strengthen your state's affordability context and policy levers.

To maximize the benefit of the Transfer Affordability Financial Tool, stakeholders should use the TransferBOOST Initiative State Policy Checklist in [BOOSTING Transfer Partnerships to Promote Equitable and Affordable Transfer Pathways](#). This checklist supports a fuller exploration of the extent to which various policies and practices are currently implemented at the state-level and the ways in which they advance equity within the state context. Further, stakeholders should understand primary finance and financial aid policies and gaps.

Ultimately, the political, economic, and policy context of a state affect institutions' flexibility and their approach to affordable transfer. Institutional representatives participating in TransferBOOST shared that high tuition prices set by the state, complicated state budgets, lack of consistent investment in state financial aid programs, and uncertain fiscal environments are all factors that make it more challenging to address postsecondary affordability. To facilitate transfer-friendly policies, state actors should interrogate their finance and financial aid structures using the two sets of questions below.

Finance

State agencies and policymakers should review and understand the existing state funding streams and finance policies, to identify how these can be leveraged or expanded to support institutions. For example:

- Does the state have a Student Success Funding formula (also called outcomes-based funding) that would provide financial resources to institutions based upon critical transfer and completion metrics, such as students who transfer in, students who transfer out, associate degree completion, transfer with associate degree award, and bachelor's completion for transfer students? Does the state award additional revenue based upon achievement of equitable transfer outcomes (e.g., additional funding for Black transfer student success)?
- Does the state provide funding sources that support collaboration between institutions to build strong transfer partnerships (e.g., innovation funding or challenge grants)?
- Do institutions need authority or flexibility to improve affordability for transfer students through reducing price or increasing aid?

Financial aid

State actors will benefit from exploring existing state financial aid resources and programs to assess what can be leveraged for transfer priorities. For example:

- Does the state have generous need-based student aid programs? Will aid eligibility be auto renewed, or will students have to reapply each year?
- Does the state have a specific financial aid program or incentive for transfer students? Do institutions have the flexibility to prioritize transfer students? Are requirements for transfer funding accessible?
- Does the state allow students flexibility in how they use financial aid funds for non-tuition expenses such as childcare, transportation, and nutrition?
- Does the state provide guidance to institutions on how to best order financial aid packaging to increase impact?

Serve as a resource and champion to the institutions and the field.

To best support institutions and, in turn, students, states must prioritize stronger policy conditions to support the initial implementation, expansion, and replication of affordable transfer efforts. This includes using state channels to support the work, whether through alignment with statewide initiatives, statewide goals and/or strategic plans; providing guidance, access to technical assistance/resources (e.g., TransferBOOST Affordability Financial Tool); and ensuring commitment from the highest levels of leadership. See the two briefs that accompany this one, [BOOSTing Student Success Through Equitable and Affordable Transfer Pathways and Affordability](#) and [BOOSTing Transfer Partnerships to Promote Equitable and Affordable Transfer Pathways](#).

The IHEP and HCM teams hope that the tools and lessons learned from this initiative will help more states and institutions to address affordability for transfer students in new ways.





Acknowledgements

The TransferBOOST initiative is the product of hard work and thoughtful contributions from many individuals, organizations, state agencies, and institutions. We are deeply grateful to the state leads, institutional partners, and steering committee/transfer action committee members in our three partner states, Arizona, Illinois, and Virginia. All of these partners are deeply committed to boosting equity in student transfer outcomes within their spheres of influence, even as they juggle the continuing impacts of the COVID-19 pandemic on their students, institutions, and institutional and state budgets. Without their partnership, this initiative would not have been possible.

We also express our gratitude to the ECMC Foundation, which funded this project as part of its [Catalyzing Transfer Initiative](#) (CTI). Its support for projects and research across the nation working to eliminate barriers and build clear pathways between two- and four-year programs will help the postsecondary education system achieve more equitable outcomes for today's community college students who seek to complete a bachelor's degree. We also appreciate our fellow CTI participants, including the Education Commission of the States (ECS), who led and convened this group, for their thought partnership and brainstorming sessions.

We extend thanks to the IHEP and HCM staff who were essential to this effort, including Mamie Voight, president and CEO at IHEP; Diane Cheng, vice president of policy and research at IHEP; Lacey Leegwater, vice president of planning and operations at IHEP; Lauren Bell, communications associate at IHEP; Gabrielle Smith, research intern at IHEP; Kristin D. Hultquist, partner at HCM; and Jimmy Clarke, senior adviser at HCM. We also thank Katie Hagan, principal at rpk Group, for her financial modeling support; Christine Flanagan, president and founder of Kinetic Seeds, for her communication and marketing training; Sabrina Detlef, for copyediting; and openbox9, for creative design and layout of this brief.

Finally, we thank former IHEP and HCM staff who contributed to the TransferBOOST initiative, including: Michelle Asha Cooper, former president and CEO at IHEP; Julie Ajinkya, former vice president of applied research at IHEP; Piper Hendricks, former vice president of communications and external affairs at IHEP; Leanne Davis, former associate director of research and policy at IHEP; Katelyn DiBeneditto, former senior research analyst; Michael Scott Brick, former senior research analyst at IHEP; Andrés Quintanilla, former research analyst at IHEP; Jihad D. Dixon, former communications associate at IHEP; Juana H. Sanchez, former senior associate at HCM; and Malia Sieve, former senior director at HCM.

While we are thankful for the many contributions that our internal and external partners have made to this brief, the authors are solely responsible for the final content of the guidebook, including any errors or omissions.



Endnotes

¹ Carnevale et al. (2018) defines a good job as one paying a minimum of \$35,000 and \$45,000, respectively, for workers between the ages of 25 and 44 and 45 and 64. In 2016, median earnings were: \$56,000 for workers without a bachelor's degree; \$75,000 for workers with a bachelor's degree or higher; and \$65,000 for all good jobs.

² Shapiro, D., Dundar, A., Huie, F., Wakhungu, P. K., Yuan, X., Nathan, A., & Hwang, Y. (2017, updated 2021). Tracking transfer: Measures of effectiveness in helping community college students to complete bachelor's degrees (Signature Report No. 13). National Student Clearinghouse Research Center. <https://nscresearchcenter.org/tracking-transfer/>; Community College Research Center. (2015, January). What we know about transfer. <https://ccrc.tc.columbia.edu/media/k2/attachments/what-we-know-about-transfer.pdf>; and Jenkins, D., & Fink, J. E. (2016). *Tracking transfer: New measures of institutional and state effectiveness in helping community college students attain bachelor's degrees*. Community College Research Center, The Aspen Institute, and National Student Clearinghouse Research Center. <https://ccrc.tc.columbia.edu/publications/tracking-transfer-institutional-state-effectiveness.html>

³ "Strategic finance encourages colleges to thoughtfully direct their resources to programs and activities that reflect their college mission, current market realities, and sustainable practices that support student success. It is a data-driven decision-making strategy that requires a better understanding of how financial and human resources are currently used, and how they can be reallocated to better serve students—in short, adopting a return on investment (ROI) perspective to spending." Adopting a strategic finance lens. rpk GROUP. <https://rpkgroup.com/adopting-a-strategic-finance-lens/>

⁴ See, for example, RP Group. (2021). Through the Gate Transfer Initiative. <https://rpgroup.org/through-the-gate>; and Logue, A. W., & Wutchiett, D. (2022, February 25). Student views: What can they tell us about vertical transfer? *Beyond Transfer* (blog). Inside Higher Ed. <https://www.insidehighered.com/blogs/beyond-transfer/student-views-what-can-they-tell-us-about-vertical-transfer>

⁵ Kadlec, A., & Ashburn, E. (2021). *Understanding incentives, connecting the dots for transfer student success*. Aspen Institute College Excellence Program, HCM Strategists, and Sova. <https://tacklingtransfer.org/wp-content/uploads/2021/09/Understanding-Incentives-Connecting-the-Dots-for-Transfer-Student-Success.pdf>

⁶ Tackling Transfer Policy Advisory Board. (2021). *The transfer reset: Rethinking equitable policy for today's learners*. HCM Strategists, Sova and the Aspen Institute College Excellence Program. <https://hcmstrategists.com/resources/the-transfer-reset-rethinking-equitable-policy-for-todays-learners-by-the-tackling-transfer-policy-advisory-board/>