Financial Aid Office Insights Into 2024-25 FAFSA Filing Rates
An analysis of interviews with financial aid administrators
NASFAA, April 2024

Methodology:

Recruitment: NASFAA’s Research Department recruited current financial aid administrators at public and private four-year institutions to participate in virtual, 30-minute one-on-one interviews on April 23, 2024 and April 24, 2024 to discuss the decrease in 2024-25 FAFSA filing rates among their admitted first-year undergraduate students. Participants were offered an incentive for participating. All participants were members of NASFAA’s Rapid Response Network, which is a group of practitioners who sign up to be readily available for research and policy needs.

To be eligible, institutions were asked to meet the following criteria:

- The institution had already imported all available 2024-25 ISIR files
- The institution was seeing a increase in the number of admitted first-year undergraduate students who have not submitted a FAFSA to their institution as of April 22, 2024
- The practitioner was available for a 30-minute virtual interview on Tuesday April 23, 2024 or Wednesday, April 24, 2024

Respondent Demographics: NASFAA conducted a total of 12 interviews. Six interviews were at four-year private nonprofit institutions and six were at four-year public institutions. The institutions were mostly split in size, with four having an IPEDS full-time enrollment (FTE) of less than 5,000 and five having an IPEDS FTE of 20,000 or more. The institutions were geographically diverse, representing most regions of the country.

While this work is intended to provide additional information on the current landscape among financial aid offices and FAFSA completion for admitted first-year undergraduate students, NASFAA’s Research Department encourages the reader to consider the sample size and demographics when applying these findings to all postsecondary institutions.

Findings:

Filing rates among first-year undergraduate students

Overall, institutions in this sample reported they were down an average of 16% for 2024-25 FAFSA filing by their admitted first-year undergraduate students as compared to the same time last year, for the 2023-24 cycle. There were some differences by institutional demographics. Four-year private institutions were down an average of 12% from 2023-24 to 2024-25, whereas four-year public institutions reported they were down an average of 16% from 2023-24 to 2024-25. There was not a significant difference among the institutions for filing rates when disaggregated by IPEDS FTE.
Outreach to admitted first-year undergraduates

Every institution interviewed was actively reaching out in some way to their admitted first-year undergraduate students who had not yet filed a 2024-25 FAFSA. Many were reaching out at least bi-weekly, and some were reaching out weekly and had been for several months.

Private Institutions:

- Representatives from various private institutions discussed their outreach efforts to students for whom they had not yet received a FAFSA. They emphasized the importance of consistent communication, using methods such as emails, mail, webinars, videos, and in-person events to inform students about FAFSA updates and encourage completion. Strategies included targeted messaging, postcard campaigns, texting, and collaboration between admissions and financial aid offices to ensure students are aware of the importance of filing their FAFSA.

Public Institutions:

- Similarly, representatives from public institutions detailed their approach to reaching out to students regarding FAFSA completion. They described sending regular email communications, targeted messages to specific student populations, and collaboration with high schools to promote FAFSA filing. These efforts involved a combination of emails, postcards, social media promotion, and coordination with external organizations to ensure students are informed and encouraged to complete their FAFSA applications.

Across both sectors, financial aid offices were engaging with their office of admissions for these efforts, as many noted the financial aid office does not create a student record in their financial aid management system (FAMS) until after they complete their FAFSA.

Information on why admitted first-year students are not filing, and if they plan to do so

Overall, participants indicated they were not hearing back from most students they reached out to.

From students who did respond, the interviewees discussed various reasons why students have not filed their FAFSA. Here are the main points:

1. **Technical Issues and Frustration**: Many students and families faced technical difficulties with the FAFSA application process, leading to frustration and confusion. Some encountered delays and were unsure of the next steps. First-generation students and those from lower socioeconomic backgrounds particularly struggled due to lack of guidance and resources.

2. **Trust Issues and Anxiety**: Concerns about the reliability of the FAFSA system and anxiety over the accuracy of information added to the reluctance to file. Some feared that their information might be lost or compromised. Media coverage highlighting problems with the FAFSA process added to this distrust.

3. **Uncertainty and Delayed Decision-Making**: Uncertainty about deadlines and the processing timeline caused many students to delay filing their FAFSA. Some were waiting for clearer guidance or for technical issues to be resolved before completing the application.

4. **Impact on Enrollment Decisions**: The delays in FAFSA processing affected students' enrollment decisions. Some considered attending lower-cost institutions or community colleges instead of four-year universities due to financial uncertainties and delays in receiving aid offers.
5. **Confusion and Lack of Information**: Students and families, especially those with mixed-immigration status backgrounds, faced confusion and lacked access to accurate information about the FAFSA process. This led to further delays and uncertainty about eligibility for financial aid.

Overall, the combination of technical challenges, trust issues, uncertainty about deadlines, and lack of information contributed to students' reluctance to file their FAFSA, potentially affecting their enrollment decisions and financial aid opportunities.

There were some differences in the responses from public and private institutions regarding why students have not filed their FAFSA:

**Public Institutions:**
- Students with parents of mixed immigration status who didn’t have Social Security numbers were still struggling due to access issues, and were hesitant to submit the FAFSA due to difficulties accessing the form.
- There were concerns about the FAFSA application being perceived as broken, leading students to delay submission until issues were resolved.
- Students were considering attending lower-cost institutions or delaying attending college until a later date when they could complete the FAFSA and receive financial aid.
- Delayed FAFSA submissions were impacting admissions deposits and enrollment rates.
- Challenges with FAFSA submission were leading to frustration and deflation among students, causing some to withdraw their application for admission.

**Private Institutions:**
- Students and parents were frustrated with delays and lack of guidance in the FAFSA process, especially for first-generation students and those with financial need.
- Some students expressed distrust in the FAFSA process due to negative media coverage and perceived system issues.
- Concerns about missing financial aid opportunities and uncertainty about the application's status were leading students to reconsider their college plans or delay FAFSA completion.
- Private institutions were facing challenges in processing ISIRs because of the FAFSA Processing System (FPS) and Internal Revenue Service (IRS) data issues and in providing timely financial aid packages, contributing to student frustration and uncertainty.
- There were efforts to address issues with FAFSA submission through on-campus events and ongoing communication, but response rates and enrollment commitments were still affected by FAFSA-related concerns.

Overall, both public and private institutions encountered similar issues related to FAFSA access, delays, and student perceptions, leading to challenges in financial aid administration and securing enrollments. However, the specific concerns and strategies varied slightly between the two types of institutions.

*Outstanding software updates*

Generally, private institutions were satisfied with their software providers. When software challenges were reported, they were primarily due to ED errors, such as incorrect ISIR comment codes and incorrect information in the
Department's technical reference guide concerning how the FAFSA Processing System (FPS) was calculating Student Aid Index (SAI) values.

Public institutions were also generally satisfied with their software providers, again noting bugs stemming from incorrect information provided to software providers.

Overall, none of the participants felt the difficulties detailed above were the main reason they were unable to assist students.

**Additional concerns from financial aid offices**

In the private institutions' interviews, concerns revolved around FAFSA completion rates, especially among first-year students. Factors contributing to this included a lack of awareness among students about the importance of completing the FAFSA, issues with incorrect responses leading to rejected ISIRs, and late FAFSA submissions due to perceived challenges with the application process. Some students and families also expressed uncertainty about financial aid offers, particularly if there were substantial changes from previous years. Procrastination and misunderstandings about deadlines and application processes were cited as additional challenges. However, the net price calculator provided some reassurance to students by offering estimates of financial aid packages based on institutional methodologies.

Public institutions expressed similar concerns regarding FAFSA completion rates, particularly among freshman and high-need populations, including those with contributors without Social Security numbers. Enrollment declines among these groups were also noted, raising concerns about those students' ability to attend college. Some schools reported that, even though many of their applicants had completed a FAFSA, they had not listed their school's code, so the application was not available to them despite the fact that the student had filed a FAFSA. This issue was compounded by the fact that students were unable to make corrections to add a school code until mid-April. Schools also reported that, even when they were able to get aid offers out to students, delays in aid offers from other institutions the student had applied to were keeping students from making enrollment decisions, presumably because students wanted to compare aid offers before committing to an institution. Additionally, there were worries about the accuracy of ISIR data and pressure to increase diversity on campuses in light of the fact that deposits are down for some students from underrepresented populations.

Overall, both private and public institutions faced challenges related to FAFSA completion rates and enrollment declines, with efforts focused on addressing misunderstandings, improving outreach, and ensuring the accuracy of ISIR data and financial aid packages.

**Additional Feedback:** During the interview process, the financial aid administrator participants also provided additional feedback aside from their admitted first-year undergraduate student FAFSA filers. They expressed comments related to the 2024-25 FAFSA rollout process, difficulties in completing their work, additional outstanding questions, and other areas that were lacking. Many also expressed concern for the 2025-26 FAFSA process and worry on how its rollout may affect students. Further, some schools mentioned seeing FAFSA filing rates for their returning students and/or graduate and professional students that were lower than their admitted first-year undergraduates.