CASE STUDY: EDQUITY

Supporting Students with Innovative Emergency Aid

edquity

The cost of college continues to grow as students face rising academic and non-academic expenses. For many financially vulnerable students, the consequences can be dire. A growing number of students are unable to meet the financial demands of college, often relying on loans, grants, scholarships, and employment to cover the costs.

Today, nearly 70% of full-time college students are working, and 43% of those employed are low-income.[1] But while juggling these various income streams may be just enough to cover anticipated education expenses, they often don't stretch far enough to help students with unexpected financial needs. When minor setbacks like a flat tire or a late utility bill come up, students may divert time and money away from their education — sometimes permanently — in order to cover the expense. Each year, 3 million students drop out of college because of a financial emergency of $500 or less.[2]

The impact of need-based financial aid on educational attainment is hard to ignore, and not just for long-term needs.[3] That's why 70% of higher education institutions provide some sort of emergency aid to their students.[4] According to Edquity Founder and CEO David Helene, the number of emergency aid programs has grown eightfold since 2016. This growth signals that schools recognize the importance of providing student emergency financial resources. Unfortunately, that recognition doesn't always translate into effective and streamlined program design. Enter Edquity.

[1]   Anthony P. Carnevale and Nicole Smith, "Balancing Work and Learning: Implications for Low-income Students," Center on Education and the Workforce, Georgetown University, 2018.

[2]   Sara Goldrick-Rab, "Edquity Emergency Aid Primer," Edquity, 2019.

[3]   Sara Goldrick-Rab et al., "Reducing Income Inequality in Educational Attainment: Experimental Evidence on the Impact of Financial Aid on College Completion," University of Chicago Press, 2016.

[4]   Kevin Kruger et al., "Landscape Analysis of Emergency Aid Programs," National Association of Student Personnel Administrators (NASPA), Inc., 2016.

MAKING EMERGENCY AID MORE ACCESSIBLE

Edquity is an innovative student support app that helps college students manage their money and find local resources for both on- and off-campus emergencies. But that's not all. What separates Edquity from other finhealth tools is that students can now use it to apply for and receive up to $500 in emergency aid, simplifying the application process. Edquity delivers this support quickly by avoiding lengthy approval processes for emergency aid, which typically take days or even weeks. In addition, students will soon be able to curate the resources they like and share them with friends, adding a social support mechanism to the mix.
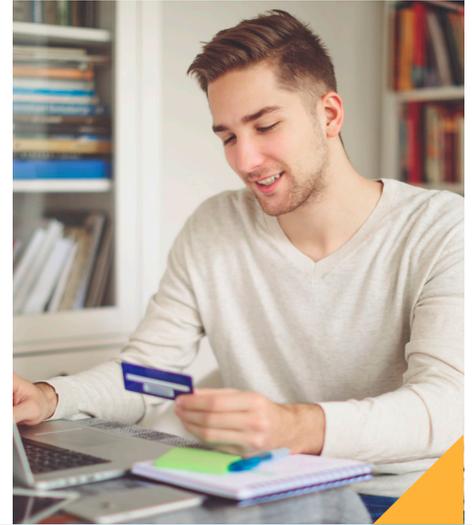
SUPPORTING STUDENTS THROUGH THE UNEXPECTED

The app is currently used by seven colleges in the Dallas County Community College District (DCCCD), with a current enrollment of more than 79,000 students. Since October 2019, it has dispersed a total of $100,000 in emergency assistance funds and helped hundreds of students find emergency resources, including public assistance programs.

In addition to connecting students with much-needed resources, Edquity is helping to lower the administrative cost of managing an emergency aid program, allowing schools to allocate more resources toward funding. For DCCCD schools, it takes anywhere from 8 to 40 staff members to manage emergency aid programs. Using technology to deliver emergency financial aid to students allows these schools to reallocate their staff to other areas of need. Leaving recovered tuition revenue aside, this factor alone might be enough to convince colleges to participate.

CURRENTLY USED BY

7 colleges

serving more than
79,000 STUDENTS

A TOTAL OF

$100,000

of emergency assistance
funds dispersed

A DATA-DRIVEN APPROACH TO SOLVING STUDENT FINANCIAL HEALTH CHALLENGES

The Edquity and DCCCD partnership is a promising example of how to use a data-driven approach to tackle the retention, persistence, and graduation issues that higher education institutions face. Thanks to its partnership with a data aggregator, Edquity can collect transactional data on students who opt to deposit their emergency aid directly into their bank accounts. This data can help Edquity understand the day-to-day financial challenges students face and design interventions to close those financial health gaps.

In addition, data-driven student financial health interventions allow school administrators to track their students' financial health and identify students in need quickly. By meeting their students where they are, schools can reduce the administrative burden of emergency aid programs while significantly strengthening graduation rates.

How are you investing in students' financial health? If you're interested in joining innovative campuses, technology firms, and thought leaders leading the charge to improve student financial health, learn more at finhealthnetwork.org/research/student or contact bpeck@finhealthnetwork.org or tladha@finhealthnetwork.org.