

# What happens when colleges drop need-blind admissions

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Macalester College

## Do Colleges Need to Be Need Blind?

Some maintain that they can drop the policy and preserve access, but those who have gone need blind have seen gains in student diversity.

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## By

[Rick Seltzer](#)

Ceasing need-blind admissions is a politically tenuous move for colleges and universities -- need-blind policies, associated with meritocracy and equal opportunity, cut to the heart of institutional values that many students, staff and faculty hold dear.

But sometimes those values have run up against cold, hard finances. Admitting students without considering their need for financial aid can make it difficult to control budgets from year to year. That's particularly true when the policy is paired with promises to meet the full demonstrated financial need of applicants. And it is that combination of policies that truly makes it possible to tell a student without money that he or she is on equal footing with a trust-fund teen during admissions decisions.

Take, for example, Haverford College outside of Philadelphia. Some at the college [recently criticized its decision to move away](#) from need-blind admissions. Haverford's financial aid budget could fail to meet the needs of future classes under its current model, it projected. So it decided to move to a so-called need-aware model, admitting most applicants without looking at financial need while reserving the option of admitting a handful of students with the aid budget in mind.

A student, Hannah Krohn, blasted the decision in a column in the student newspaper *The Clerk*, referring to the policy change as a move to "financially viable diversity" even as the college says it is committed to diversity.

"If we are going to shift to becoming a need-aware school, we need to be explicit that either our goals have changed or our level of commitment has," [Krohn wrote](#). "Our budget is the tangible representation of our priorities. There will always be money for things we value."

While its decisions has sparked strong words, Haverford is far from the only institution to make changes involving need-blind admissions in recent years. Some have dropped need-blind policies, others have publicly evaluated them and a few have decided to become need blind.

Changes away from need-blind admissions are often accompanied by an outcry of concern that institutions are kowtowing to wealthy students who are able to shoulder the cost of full tuition -- at the cost of accepting equally qualified students who may come from families with lower incomes. But college leaders argue that does not have to be the case.

Institutions can focus on admitting and serving students from diverse backgrounds regardless of the label placed on their policies, presidents and admissions officers said. A few even argued non-need-blind policies could be the best way for colleges and universities to admit and support students from low-income families in a future of increasing income inequality. Under that line of reasoning, admitting some students who pay full tuition -- or close to it -- gives colleges and universities more resources to support students who have less ability to pay.

Others from institutions that have recently adopted need-blind policies say the move can be an important stake in the ground proclaiming a college's commitment to fairness, first-generation students and those without deep pockets. Yet even they agree need-blind admissions can't continue if an institution is bleeding money.

Of course, there are many colleges -- community colleges, for example -- that would never consider evaluating a student based on family income. But the small group of elite private institutions that have been or still are need blind have historically represented an ideal to which many institutions have aspired. The ideal resonates with many students and families.

Data from a sampling of institutions that have adopted or moved away from need-blind policies in recent years are mixed. Need-blind policies appear to play a role in attracting applicants from different backgrounds and can even lead to a fund-raising boon. Still, dropping need-blind policies isn't necessarily a death blow to diversity -- results show it is possible to use a policy change to bolster financials while largely holding a line and admitting low-income students.

The label of "need blind" still matters. But the overarching policy might not be as important as the way admissions policies are carried out in the real world, according to college officials. The trick is in the details.

"At the end of the day, the single most important thing is who you actually have on campus," said Brian C. Rosenberg, the president of Macalester College in St. Paul. "If you have a need-blind policy, but three-quarters are full-pay students, are you really doing more to provide access than a situation that's need aware but has 80 percent to 90 percent of students who are receiving aid?"

Macalester dropped need-blind admissions with a policy change in 2006. Since then, it's actually cut the portion of students who pay full tuition, Rosenberg said -- from about a third to 20 percent. But quoted tuition has also increased during the time, from about \$30,000 to more than \$50,000.

Against the increase in quoted tuition, statistics show the portion of Macalester students on campus receiving need-based aid is holding roughly steady. The college has increased the amount of money it dedicates to need-based aid. It has also put more into non-need-based aid, however.

Need-based scholarship or grant aid went to 68.5 percent of Macalester's degree-seeking undergraduate students in 2015-16, according to the [Common Data Set for the college](#) -- 1,456 out of 2,127 full-time undergraduates. That's just slightly below 2005-06, when 69 percent of undergraduates were awarded need-based scholarship or grant aid -- 1,258 out of 1,822. In the prior year, 2004-05, 69 percent of undergraduates had also been awarded need-based scholarship or grant aid -- 1,274 out of 1,847.

Need-based self-help aid -- student loans and work study -- saw a larger drop. For 2015-16, 64 percent of full-time undergraduates received need-based self-help aid. The portion was about 69 percent in 2005-06 and 2004-05.

Macalester met 100 percent of need for students that were awarded need-based aid in all of the years. Its average need-based scholarship and grant package rose drastically, spiking to \$35,887 for full-time undergraduates in 2015-

16, up from \$19,806 in 2005-06 and \$18,351 in 2004-05.

At the same time, Macalester provided more non-need-based scholarship and grant aid. In 2015-16, the college estimated 212 full-time undergraduates judged to have no financial need were awarded non-need-based scholarships or grants, up from 107 in 2005-06 and 103 in 2004-05. The average size of those awards also went up sharply, hitting \$12,957 in 2015-16 from \$4,686 in 2005-06 and \$4,988 in 2004-05. Macalester also started awarding non-need-based aid to some students determined to have financial need during that time span, its Common Data Set answers show.

Consequently, Macalester awarded more total need-based and non-need-based aid over time. Non-need-based aid rose at a sharper rate, with institutional non-need-based aid spiking to \$2.8 million in 2015-16, up from \$513,519 in 2005-06 and \$521,482 in 2004-05. Even with the steep increase, it was dwarfed by institutional need-based aid awarded, which rose to \$50.1 million in 2015-16 from \$22.5 million in 2005-06 and \$20.9 million in 2004-05.

The numbers reflect the common trend across higher education: college costs rising faster than students' ability and willingness to pay. As a result, colleges are pressured to offer more financial aid to students. Sometimes that aid goes to students with demonstrated need, and in other cases colleges can decide to use aid to try to attract a student who can pay a higher price -- and provide more net revenue for the bottom line.

"Discount rates have been driven up year after year at private colleges because the gap between what you cost and what people are able to pay gets larger," Rosenberg said. "It means the gap you have to fill in gets larger and larger."

An important point of emphasis for Macalester was remaining financially accessible after it decided it needed to move away from need-blind admissions, Rosenberg said. And the college has improved in several metrics.

Macalester did not share a breakdown of first-year Pell Grant recipients, which would be a rough proxy for low-income students enrolling as freshmen. But the total number of Macalester undergraduates receiving Pell Grants went from 237 in 2004-05 and 211 in 2005-06 to 344 in 2014-15, according to [U.S. Department of Education data](#). The measure is difficult to read over that time frame because it coincides with increases in both Macalester's undergraduate enrollment and [the number of Pell Grant recipients nationally](#). Still, comparing Pell Grant recipients to total undergraduate enrollment reported on the Common Data Set shows proportionally more Pell Grant recipients on Macalester's campus -- 16.9 percent in 2014-15 versus 11.6 percent in 2005-06 and 12.8 percent in 2004-05.

"We have not become in any way -- economically, nationally, ethnically -- a less diverse place," Rosenberg said. "Based upon the demographics of our applicant pool, it has not begun to skew away from students with high need."

Macalester [has grown](#) its percentage of students of color by roughly three percentage points in the last 10 years. In the fall of 2006, 320 U.S. students of color were enrolled, or 17 percent of the student body. In the fall of 2015 that had grown to 439, or 20 percent.

The college is unlikely to go back to need-blind admissions unless significant macroeconomic changes rock higher education, Rosenberg said. He thinks it is more important that the college is continuing to meet the full financial need for the students it admits. Ultimately, he believes the move away from need-blind admissions was necessary to ensure the college is financially stable and able to fully educate its students in the future.

Macalester's [financial statements](#) make it clear that the college has been able to boost net revenue from tuition and fees. Net tuition and fees revenue -- the amount of revenue left after subtracting student aid and scholarships -- rose to \$46.9 million at the end of Macalester's 2015 fiscal year. It was \$28.7 million at the end of 2006 and \$27.2 million at the end of 2005.

"We needed some mechanism, some lever, to control the amount of aid we provided," Rosenberg said. "I think it's trying to balance a series of promises we make to people, and a series of promises we make to society."

## Fluctuations at Wesleyan

More recently, Wesleyan University in Connecticut [announced in 2012](#) it would end need-blind admissions. The class entering in the fall of 2013 was admitted under a need-aware policy. Since then, the university said it's admitted an average of more than 90 percent of its applicants without regard to financial need.

It's early to definitively identify a pattern in the percentage of first-time, first-year Pell Grant recipients since the change. However, the measure has moved higher in recent years after a one-year drop coinciding with the start of need-aware admissions. Before Wesleyan moved away from need-blind admissions, first-time full-year Pell Grant recipients accounted for 17 percent of incoming first-year students in the fall of 2009, 16 percent in 2010, 21 percent in 2011 and 18 percent in 2012. In the fall of 2013, the first class that was need aware, the measure fell to 15 percent. It rose to 19 percent in 2014 and 22 percent in 2015. Those latter numbers are well above those of many elite liberal arts colleges.

The number of first-generation students also dropped among first-year students in 2013 before rebounding. Among entering freshmen, first-generation students to attend a four-year college dropped to 13 percent at Wesleyan in 2013, down from 18 percent and 16 percent respectively in 2011 and 2012. The measure rose to 16 percent in 2014 and 17 percent in 2015.

The percentage of first-year students receiving financial aid follows much the same pattern -- 49 percent in 2011 and 48 percent in 2012, giving way to 42 percent in the first year of non-need-blind admissions, 2013. It recovered to 46 percent and 51 percent in the next two years.

The trend also holds for first-year students of color. The mark was 41 percent for students enrolling in 2011 and 39 percent the next year. It slipped to 37 percent in 2013 and has recovered since, notching 40 percent and 42 percent for the next two incoming classes.

Early returns indicate the move away from need-blind admissions moderated growth trends in the amount of financial aid Wesleyan has awarded. Scholarships and other aid had grown 6.1 percent from the fiscal year ending in June 2010 to June 2011, 13.8 percent from 2011 to 2012 and 6.7 percent from 2012 to 2013. But it then fell by 2.5 percent in the fiscal year ending in June 2014, the first year with a class admitted under need-aware admissions. It proceeded to grow more slowly in the year ending in June 2015, increasing 4.1 percent to \$55.3 million.

Wesleyan's [annual financial report for the year ending in 2014](#) said that year's decrease in financial aid came as the university's discount rate fell to 34 percent, down from 36 percent in the previous fiscal year.

"The decrease reflected the policy change to need aware for first-year students and an actual lower discount rate than budgeted for this incoming class," [the report said](#).

## The Positive Impact of Going Need Blind

Some evidence suggests colleges and universities can increase their applicant pools by becoming need blind. Hamilton College in upstate New York decided to adopt need-blind admissions for the class entering in the fall of 2010 and has seen gains in both students receiving Pell Grants and diversity measures. It also felt an immediate boost in fund-raising.

Hamilton had been need aware, said Monica Inzer, vice president and dean of admission and financial aid. The college granted some students financial aid as an incentive to enroll and did not extend admissions offers to some demonstrating high need. About 4 to 5 percent of noninternational freshmen were affected because of financial considerations.

The percentage of first-year students receiving Pell Grants rose in the immediate years after Hamilton went need

blind, Inzer said. It was 13 percent in 2009-10, and then jumped to 17 percent the next year. Since then it has bounced around at generally higher levels, notching 13 percent in 2011-12 before rising to as high as 18 percent in 2012-13 and spending the next four years alternating between 15 and 17 percent.

Also rising was the number of U.S. students of color as a percentage of full-time enrollment. The mark rose from 17.4 percent in 2009-10 to 23 percent in 2015-16, increasing every year. Over the same time frame, Hamilton's number of admitted students held relatively steady, moving from 1,390 in 2009 to 1,357 in 2016 and never rising higher than 1,441 in the years between.

Inzer wasn't willing to attribute the gains solely to the admissions policy. She pointed out that demographics in the country have paved the way for more diverse student bodies. But the policy has become an important part of Hamilton's identity and a talking point to discuss with prospective students and families.

"In general, this has signaled to the rest of the world that this is a college that cares about access," Inzer said.

It also sparked donations. Hamilton planned to raise \$40 million in three years to support the need-blind policy. It took about a year and a half to raise the money.

"Our alumni went wild for this," Inzer said. "They really supported it."

Still, Inzer couldn't promise the policy will be around forever. At the end of the day, the books still have to balance.

"We still have a budget, and I work really closely with the CFO," Inzer said. "If this got out of whack, we'd have to look at it. If we had to cut other things at the college that were important to us, we'd have to look at this."

Hamilton's discount rate has crept up steadily since the year it went to need-blind admissions. It was 30.2 percent in 2009-10, the year before the new policy, and 36.6 percent in 2015-16 after increasing every year except for 2012-13.

The percentage of Hamilton's budget dedicated to financial aid has followed the same path. In the 2009 fiscal year, 17.9 percent of the college's operating expenses were financial aid. That portion rose every year through 2016, when it was 21.7 percent.

Another institution to return to need-blind admissions in recent years is Vassar College. Vassar dropped its need-blind policy in the late 1990s, citing finances, but [adopted it again in 2007](#). Since then, applications from students of color have doubled, offers of admission have increased, the selectivity of admission offers has increased and enrollments are up, according to Jeff Kosmacher, a spokesman.

The median family income of freshman financial aid recipients has generally trended down in recent Vassar classes. The class admitted in 2006 posted a median family income of \$100,517 when adjusted for inflation to 2015 levels. In the years after Vassar announced its return to need-blind admissions, that measure declined annually through the class admitted in 2013, when it hit \$75,464. It was higher in the next two years at \$82,054 and \$80,803, respectively.

Vassar's discount rate has picked up in recent years as well. Vassar College scholarships as a percentage of gross tuition revenue have hovered in the 50 percent range in recently admitted classes, coming in at 51.7 percent for the class admitted in 2015. That's up from 30 percent for the class admitted in 2006.

Operating budgets at Vassar show some variation in the years immediately returning to need-blind admissions. Net tuition and fees dropped between the 2007-08 and 2010-11 fiscal years as financial aid jumped from \$32.7 million to \$53.7 million. Tuition and fees grew during that time from \$93.4 million to \$105.6 million, not keeping pace with the spike in financial aid. The college ran operating deficits for four years after 2007-08.

But in more recent years, Vassar has returned to an operating surplus as tuition and fees grew faster than financial

aid. Tuition and fee revenue rose from \$112.8 million in the 2011-12 fiscal year to \$126.8 million in 2014-15, while financial aid rose from \$54 million to \$58.7 million.

Although they may be influenced by the financial crisis and recovery, the trends point to need-blind tuition making it harder to control revenue from tuition and fees. That in turn can place more pressure on endowment returns and fund-raising as revenue sources.

"I think the challenge now is the question about sustainability," said Art Rodriguez, dean of admission and financial aid at Vassar. "The fact that the financial markets really haven't rebounded, and we're not seeing the same rate of return on investment in endowments that we saw back in the '90s and early 2000s -- that has complicated the math in trying to balance our budgets."

Vassar is not need blind for transfer and international students. That gives it a small tool to help balance revenue.

But besides the books, Vassar sees need-blind admissions as a way to attract and support a broader, deeper pool of students.

"I think it provides us sort of a tool to try to grow an applicant pool in ways we would like to see," Rodriguez said. "I wouldn't say it's just ethnic and racial diversity. It's also thinking about the geographic diversity, thinking about the range of academic interests that students have. We're also interested in supporting the various programs at the college."

For the time being, Vassar's board has proven willing to support the policy, Rodriguez said. But at the end of the day, if the dollars aren't there, they aren't there.

"We, like everyone else, are looking at the financial markets and seeing what's happening," Rodriguez said. "I think that does call into question and further require discussion for us as a college to say, if we're not having strong returns, what can we manage?"

That theme emerges again and again at need-blind colleges and universities -- the policy can be in place only so long as it does not bankrupt the institution.

## **True Opportunity**

Grinnell College in Iowa for several years [has been discussing](#) its need-blind policy and how it fits with its policy of meeting 100 percent of students' demonstrated financial need. Trustees are first and most concerned about how to meet 100 percent of admitted students' need in the future, said Joe Bagnoli, vice president for enrollment and dean of admission and financial aid.

"We believe that access without financial support is not the same thing as opportunity, and we want to make sure that the students that we admit are able to afford to walk through the doors," Bagnoli said. "That requires us to underwrite their need with pretty significant financial aid dollars. At Grinnell, that totals almost \$50 million a year for an operating budget that's about \$117 million a year."

For the time being, Grinnell is continuing to be need blind. But it's still moving to review the policy for 2018. Afterward, it plans to review it every two or three years.

Grinnell is trying to grow its philanthropic support today in order to bolster its financial ability to keep need-blind admissions. But its leaders admit that might not always be possible.

"Our intention is to be able to hang on to need-blind admission as long as we can," Bagnoli said. "But I have to say, if it came down to what it's coming down to at Haverford and what it previously came down to for Wesleyan -- either we're not going to be able to fund these students, or we're not going to be able to admit them -- we will have to come back to that question."

Grinnell's discount rate is about 60 percent for the total student body today, Bagnoli said. It was slightly lower for the last several incoming classes. Looking at the metric over 20 years, it has risen. Over the last few, however, it's been falling. Five years ago, Grinnell anticipated a discount rate of 73 percent this year, an alarming figure for those crunching the numbers on budget projections.

Some have argued that need-blind admissions have taken on an outsize role as representing college opportunity. The policy is just one tool admissions officers have available to build diverse student bodies from different backgrounds, Bagnoli said.

Grinnell's administration is also concerned about the effect growing gaps in income could have on applicant pools -- even under need-blind policies. More wealthy families are pouring money into their children's education at the same time the number of low-income families in poor neighborhoods rises, said Grinnell President Raynard S. Kington. Meanwhile, the number of seats at institutions is not rising.

"On one hand, you have an increase in demand, and you also have an increasing difference in preparation," Kington said. "In that context, a need-blind policy might not be such a great thing."

Kington gave the example of one student who has to care for younger siblings at home because of a crunch in family finances. Even if the academic portion of that student's application is identical to that of another student from a wealthier family, he or she might not come off as well in the admissions process if the wealthy student has impressive extracurricular activities.

Plus, almost every metric evaluated in admissions -- test scores, class rank, school district quality -- is correlated with wealth, Kington said. In that context, students from lower-income families might need a boost in the admissions process, not need-blind admissions.

"People assume need aware only means focusing on wealthy students," Kington said. "But in this new scenario of increasing inequality, the increasing number and preparation of wealthy students, you might need to be need aware so you can make sure you give a bump to those students."

A major underlying question in any move from need blind, however, is what a college does with the additional net tuition revenue raised. Does it use the extra money from the higher-paying 5 or 10 percent of its students admitted with need considered in order to fund low-income students? Or do the slots that would otherwise go to lower-income students end up generating cash for some other part of operations? Only the institutions can answer that question -- and then they typically have to try to convince wary students and faculty that they are upholding their values.

Kington acknowledged that a decision to move away from need-blind admissions might be interpreted by some as a cash grab, a pursuit of wealthy students over a commitment to academic fairness. The original thinking behind need-blind policies was that they were a signal to students that they would be welcome at institutions, he said.

Now, some see the policy as having a broader meaning.

"It's not just the campus community that would be concerned about this as a core value, but it's also the counseling community across the United States," Bagnoli said. "The title of need-blind admission and the gold standard that's associated with that seems to create an understanding among the counseling community about institutions that are, in fact, committed to this population of students."

In that light, talking about any potential changes is key, Kington said.

"I think the good news is we're saying we're going to take a look," he said. "I think a lot of other institutions are just doing it and not announcing it first."

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