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Bridging the Financial Aid Gap

- [Sarah Mellott](#)

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Danny Rico (SFS '09) is the youngest of six children, whose parents together make less than \$60,000 a year. So when it came time for him to apply to college, he knew that his options would be limited.

“Ultimately, I got into all the colleges I applied to, so it all came down to money,” Rico said.

Rico received scholarships from Stanford University, Santa Clara University and Claremont-McKenna College, and would not have had to take out any loans to attend one of those universities. Georgetown still appealed to him, but the financial aid the university offered him just wasn't going to cut it.

With a price tag of close to \$50,000 each year and only limited resources for financial assistance, obtaining a Georgetown education without going into debt seemed almost impossible for Rico and his family. Fortunately for him and several dozen freshmen in similar financial circumstances, Georgetown had a new resource to offer: the Georgetown Scholarship Program. Although the program is relatively small, it allowed students with financial needs like Rico — the very students that Georgetown had struggled to attract for so long — the chance to attend Georgetown.

Founded to make Georgetown more competitive with other universities that offer more aid, GSP provides a scholarship that reduces or eliminates the price of a student loan. Georgetown has historically struggled to attract lower-income students — only 39 percent who are offered financial aid opt to matriculate, compared to over 50 percent who aren't offered aid. But the scholarship has helped Georgetown begin to bridge the wide aid gap separating it from its peers. Since GSP was instituted two years ago, 56 percent of its prospective recipients have chosen to attend Georgetown.

‘The Enemy Over the Wall’

With an endowment of less than \$1 billion, Georgetown's wallet is considerably lighter than most other top institutions, many of whose endowments reach into the tens of billions of dollars. As a result, Georgetown has struggled to keep pace with many of the innovative financial aid programs that are being offered by top schools around the nation.

Columbia University, for instance, announced last year that it would replace all loans to students whose families make less than \$50,000 annually with scholarships, while Harvard University eliminated any parental contribution for families making less than \$60,000 per year.

According to Georgetown's Office of Advancement, over 80 percent of financial aid funding at institutions like Columbia and Harvard comes directly from their endowments, while only 15 percent of aid at Georgetown comes from the endowment — the remainder comes out of the operating budget.

Compounding the problem, Georgetown tuition has steadily increased in recent years. The Board of Directors recently announced that tuition for the 2007-2008 school year would increase by 6 percent.

“Basically, they have a savings account, and we have a checking,” said Katy Herbert, the associate director of GSP. “It’s a hard state of affairs because college is becoming so expensive.”

Dean of Undergraduate Admissions Charles Deacon said that he recognized that Georgetown's ability to provide competitive financial aid for lower-income students was hurting the composition of incoming classes, and he knew that solving it would require an innovative solution.

“When the enemy's coming over the wall, what are you going to do?” he said in an interview.

Deacon needed to find something that could help Georgetown better compete with its peers, while still working within the strict boundaries resulting from the university's limited financial resources. That something was GSP.

Funded by alumni, the program provides an average of over \$15,000 in scholarship money per student over four years, and its scope is expanding. Although the initial GSP class aided only 50 students, the program aided 75 new students beginning last fall, and administrators hope that it will support an additional 100 students starting next year. While scholarship recipients are based largely on need, the university also considers merit.

“[GSP] is basically reducing the pressure of the university budget, as well as for the kids with taking the pressure off the loan,” Deacon said. “This is a program that is really saving our competitive and financial needs.”

Show Me the Money

GSP helps relieve stress on the university's endowment because it is funded entirely by alumni — 80 percent of the money is used to replace money that would have come from the university's operating budget while the rest is used to reduce the student's loan package. Most classes from the past 45 years have an alumni chair who, along with the Office of Advancement and the Office of Undergraduate Admissions, works to raise money for the program.

The program “is bringing to the forefront to alumni how important financial aid is,” Herbert said. “This is showing how important it is for us to bring in a low-income and diverse student body.”

The network of alumni, in addition to sponsoring students, also provides personal support for GSP students by holding mentoring sessions on topics like careers and internships throughout the year. Students meet with their sponsors regularly and often attend GSP fundraising events where they meet alumni and potential donors.

“The key about GSP is that it’s a network,” Deacon said. “It creates a community within a community.”

For GSP students, the personal aspect of the program is what makes it so special. Sarah Alexander (MSB ’09) said that it provides her and the other GSP scholars with valuable networking opportunities.

“It speaks to Georgetown’s values that they talk about community and the Georgetown family, and this scholarship embodies that,” she said. “It was so cool just to meet the people who are choosing to sponsor you individually. You can never have too many mentors.”

Claire Libert (SFS ’09) said that she too has appreciated the program.

“It would be fantastic if we could do what Harvard and Yale were doing, but this is our version, and I think it’s working,” she said.

Deacon said that GSP is important for the university because it not only creates networking opportunities for students, but also helps bring in more money from alumni in general.

“[GSP] is motivating people to give more, frankly, because they see that it’s worth the gift,” Deacon said. “They see where the money goes. I think in the end we’re doing it in a better way [than other schools] because of the real community commitment to this.”

High Hopes

Deacon hopes that GSP will continue to expand in terms of both the amount of money raised and the number of students sponsored. Approximately 900 students per class receive some form of financial aid, and GSP funds only a small percentage of these students.

Deacon especially hopes that GSP will have its own endowment in the years to come, not only to provide more money for the program but also to continue taking pressure off the university budget.

“We’re in a growth mode,” Deacon said. “Our goal is to have that core, that growing core, always giving.”

Herbert and Deacon also hope that in the future, with more money in the GSP bank, more alumni will contribute. Right now, a class must donate at least \$3,000 annually to sponsor one student, which means that younger alumni, who donate less, sponsor fewer students through GSP, Deacon said. The alumni classes from 1970-79 have sponsored 51 students, while the last 10 graduating classes have sponsored just four.

“In the long run, I certainly envision this as involving more people,” Deacon said.

For Libert, Rico, Alexander and several dozen other students like them, GSP has made going to Georgetown a possibility.

“I had wanted to go [to Georgetown] for so long,” Libert said. “It was more bringing my mom around — she was worried about going into debt. [GSP] definitely got the family on board. It made it possible to make the decision with a little less guilt.”

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