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Moral Complexity and Financial Aid

By Dr. Steven C. Lorch, Head of School,

Around the country, parents and prospective parents in Jewish day schools and independent schools have begun completing financial aid forms for the coming school year. Schechter Manhattan is no exception.

Financial aid is one of the hardest tests to which the moral sensitivity of a school community can be put. Motivated by a desire to make our education affordable and accessible for every Jewish family that wants it for their child, we nevertheless know that, for many families, applying for financial aid is one of the less enjoyable facts of life. First, the process is intrusive: it requires disclosure of financial and other personal information. Second, it is anxiety-provoking: the outcome will either facilitate or frustrate a family's ability to help their child achieve a future that best reflects their aspirations and values; what's more, it will also have a significant impact on their overall finances and life choices. Third, it is unsettling: because the award is for a year, it is too short-term to afford real peace of mind; on the other hand, it is also too long-term to accommodate unanticipated downturns or reversals. More generally, it is a reminder of personal limitation and of dependency on others. No wonder many parents dread the process. In fact, though schoolpeople often lament when a family declines to submit a financial aid request and decides instead to withdraw their child from school, I consider it a pleasant surprise that relatively few families do so.

It is in recognition of these very real difficulties that Schechter Manhattan's mission statement specifically mentions its tuition-setting system as one of the areas in which our commitment to *menschlichkeit* should be embodied. Living up to this commitment despite its challenges means making efforts to minimize the process's intrusiveness, to reduce the anxiety for families participating in the process, and to provide as much peace of mind as possible.

Minimizing Intrusiveness

If there is one thing that the Schechter Manhattan approach to financial aid was built to accomplish, it is to minimize intrusiveness. In a number of ways, our approach diverges from that of other schools with the express aim of minimizing the discomfort of applying for financial aid:

- *The language of financial aid:* Officially, Schechter Manhattan does not give out financial aid; it sets tuition. Non-financial aid families don't pay full tuition; they pay the maximum tuition. Families that elect to apply for tuition assessment don't pay reduced tuition; they pay their assessed amount, or their fair share. This language was carefully selected so as to dignify the process, and its participants, to the greatest extent possible.
- *Becoming a financial aid family:* In most schools, a family begins the process by requesting a financial aid packet. They then review it and, unless they decide not to proceed, complete the forms and submit them with the requested backup.

While some parts of this process are unavoidable, Schechter Manhattan decided long ago to minimize the stigma of becoming a financial aid family by eliminating any steps that are not absolutely essential. Therefore, families are spared the need to declare themselves financial aid applicants by requesting a packet. Instead, the packet is sent every year as a matter of course to all families, current and prospective.

In addition to making the start of the process completely painless, this step has the advantage of normalizing the status of financial aid families by treating each family as though they are potential financial aid recipients.

- *Third-party assessment:* In nearly every other school, parents send their financial aid application (or a copy of the application, if the school uses an outside body to perform the preliminary number-crunching) to the school, where it is received either by a member of the business office staff, or by a financial aid committee comprised of volunteers. In addition to submitting the forms, many schools also require a personal interview as part of the financial aid process.

When Schechter Manhattan was still in formation, the board felt that this approach was unnecessarily intrusive. Therefore, it devised a system which relies on an outsider to perform the assessment. The forms are sent directly to this third party, and no one in the school ever sees the completed forms or the tax returns that are sent as backup.

Furthermore, there is never a personal interview as part of the financial aid process: not every year, not the first time a family applies, not even when parents appeal their award. The closest we come to that is a phone call: when a family requests a review of their initial assessment, the third-party consultant contacts them in order to understand the basis of the appeal as fully as possible. Parents are spared the

humiliation of feeling that they are being given the once-over, eyeballed by someone whom they may know, or may have future interaction with, in the community.

- *Confidentiality:* The knowledge that a family is a financial aid applicant, or recipient, is carefully restricted. Only the business manager, admissions director, and head of school are privy to such information. In addition, financial aid recipients are entitled to participate in every school-sponsored program, without exception. As a result, the only way others can learn of, or infer, a family's financial aid status is if the family itself shares this information.

Reducing Anxiety

Unlike issues of intrusiveness, which Schechter is able to significantly mitigate, the anxiety arising from the high stakes of applying for financial aid is harder to address. Nevertheless, the process has been designed with an eye toward these issues, as well:

- *Turnaround time:* Schechter Manhattan parents are informed of deadlines and reply dates at the very beginning of the process. When parents meet their deadlines, the school is able to report their tuition amount to them in a timely manner. Knowing the reliability of the school's timing helps to lessen anxiety.

On the other hand, the timing of the admissions and re-enrollment cycles introduces an unavoidable further source of uncertainty. Because the tax materials available at the time financial aid applications are due are two years old, the tuition set at that time is provisional, pending receipt of the most recent year's tax data later in the spring. However, for families able to provide consistently accurate estimates of income, the variation between the provisional assessment and the final tuition amount tends to be small.

- *Appeals process:* Parents know from the outset that, if the tuition amount they receive is not within their means, they are encouraged to appeal the outcome. The grounds for such an appeal are either a change in circumstances that was not reflected in the family's original application, or a belief that the assessment they received did not reflect one or more objective factors that affect their financial situation. Often, in the course of an appeal, the consultant's probing of the parents leads to a recalculation, which results in a reduced tuition amount. This provision, and the frequency of its success, makes the outcome less final, and the wait to be notified less anxious.

- *Availability of funds:* Parents are never informed that the reason why they are not being awarded a reduced tuition, or why the tuition amount they are being offered is higher than they indicated they can manage, is because the school could not afford to meet their need, or because there was a larger-than-anticipated volume of requests this year. The only reason for not meeting a family's request is that, based on the method of assessment used by the consultant, which, in the interest of fairness, is consistent from one family to the next, the family did not qualify for the reduction that they requested.

The implication of this for the school's budget is that, unlike most other schools that set a financial aid figure for the year and divide it up among eligible families, Schechter Manhattan projects in advance what the need is likely to be, but if the projection is too low, any financial aid that is warranted is nevertheless granted. The school is so committed to providing all necessary financial aid that it is prepared to figure out what other steps are needed to balance the books. (Fortunately, we have a pretty good track record of accurate prediction!)

The implication of this for parents is that they can have confidence that their tuition will never be set unaffordably high for reasons having nothing to do with their personal circumstances. The only grounds on which a tuition-setting request will be turned down are, in the view of the tuition assessment consultant, a lack of demonstrated need.

- *Parents' expectations:* In a survey completed by parents in November, they were asked to respond to the statement: "We anticipate that, despite the costs, our child(ren) will be able to attend Schechter Manhattan through graduation." Of all the questions posed, this one seems to be most closely associated with the anxiety parents feel about their ability to help their child achieve the future they want for him or her.

It is therefore reassuring that, of those families who have ever applied for financial aid, only 16% disagreed with the statement (compared to 5% of families who pay full tuition). Of course, it is undesirable for even one family to experience such anxiety, but the fact that families who cannot pay the default tuition are nearly as likely to be confident of their ability to keep their children enrolled as are families with greater financial resources is an indication that the school is at least somewhat successful in softening an inherently anxiety-provoking process.

Affording Peace of Mind

Parents understandably hope, first, that their tuition cost will be consistent from year to year, and second, that it will be sufficiently flexible for the school to be able to make midyear adjustments due to changes in families' circumstances. Schools have virtually the opposite needs: in any given year, the budget is set before the year begins, and from that point on any change will result in an unanticipated (and unfunded) change to the bottom line. On the other hand, as the school develops and seeks to take advantage of new opportunities and meet new challenges, it looks to ways of enhancing its income streams to fund these initiatives. Achieving both the consistency and the flexibility that parents desire, while looking after its own institutional interests, is one of the greatest challenges that schools face.

At Schechter Manhattan, we make an effort to respond to parents' interest in both consistency and flexibility in as many ways as we can:

- *Consistency of process and formula:* For the past 13 years, we have worked with the same consultant, whose methodology has remained unchanged over all these years. The same financial aid form is sent to the same financial aid service, SSS, for data entry and analysis; the same support materials are required; the formula used by SSS has changed only very minimally; the same factors are taken into consideration by the consultant in the adjustments she makes to the SSS's analysis and preliminary calculation. Therefore, changes in the tuition amount set for a given family are always the result of actual changes in one or more of a limited number of factors relating to a family's circumstances, primarily income, expenses, assets, and family size.
- *Flexibility:* After a family's tuition is finalized, changes in parents' circumstances, e.g., a change in employment status, the birth of a child, or a change in marital status, sometimes occur. When this happens, parents are always encouraged to notify the consultant of the change, and the consultant reassesses the family taking this change into consideration. When this results in a change in tuition amount, this change is passed on to the family immediately.

Parents sometimes indicate in their initial application that they anticipate a change during the year for which they are applying. Our policy is not to reflect an anticipated change in the initial assessment, but to ask the parents to contact the consultant as soon as the change occurs, and to reassure them that, at that time, the relevant adjustment will be made.

- *Parents' expectations:* The fall survey also included one question that reflects on parents' comfort with the

consistency and flexibility of the financial aid process. Here, too, while the results are not unmixed, the majority (over 70%) of families that have ever applied for financial aid consider their tuition to be predictable enough for it not to be a negative factor in their plans for their children to graduate from Schechter Manhattan at the end of eighth grade. Again, while we would hope, in an ideal world, that every parent would be completely comfortable with the predictability of the process and its outcomes, the fact that only 15 of 61 respondents are not comfortable is a source of some reassurance that financial aid is meeting not only the financial needs, but also the emotional needs, of most families.

Conclusion

The *menschlichkeit* into which we socialize students is straightforward: show kindness instead of indifference, do something instead of waiting for someone else, let go of small resentments before they grow big, and feel good as a result. These are the cheerful lessons and sweet appeal of “In Celebration of *Menschlichkeit*.” But more challenging moral dilemmas loom as children mature, and as adults, we seldom encounter moral situations that are not fraught with competing values, with evils and lesser evils and goods and greater goods.

The effort to keep our school both solvent and affordable is one such area of complexity. In this challenging arena, in which there are many competing interests and goals, the hope is that the school will consistently exhibit care and caring, that the harshness that often seems such an unavoidable part of the process, its sharp edges, will be softened, and that, against the odds, the resulting amalgam of brutal facts and *menschlichkeit* will prove to be good enough in the vast majority of cases.

One test of a school community’s moral fiber is the consistency with which it cultivates goodness in its students. Another is its ability not to lose its moral bearings as the terrain becomes trickier. We hope that our financial aid process is living up to our high standards of moral sensitivity.

Shabbat shalom!

- Steven C. Lorch