



SIGHTLINE TO FINAID BUDGETING

CASE STUDY: Setting Accurate Financial Aid Budgets with Predictive Analytics

PROBLEM: As a finance director or VP, if you don't understand which continuing undergraduate students are returning each year, it is very difficult to set an accurate annual financial aid budget.

Financial aid year-ahead budgeting is closely tied to student retention and graduation outcomes. Without being able to predict student outcomes on a longer-term basis, it is very difficult to estimate what the institution will pay out in scholarships and grants each semester.

SOLUTION: Develop long term retention and graduation predictive models and estimate how those student outcomes will impact institutional financial aid payouts.

At a high level, we leverage existing individual student level data to predict which continuing undergraduate students will be retained for a given time period. Machine learning and artificial intelligence models are trained for an institution's unique data to predict student retention on a long-term basis. These models are then applied to develop financial aid

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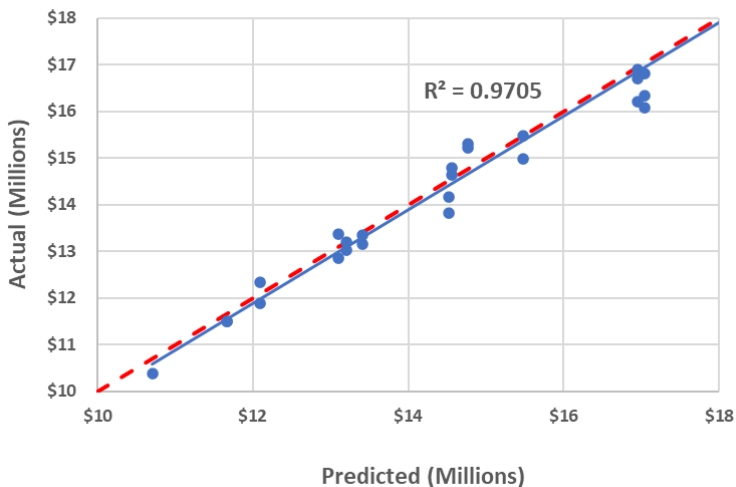
CASE STUDY

projections or forecasts for students who are predicted to return. Our forecasts greatly reduce budget uncertainty, allowing institutions to plan more accurately and allocate funds more efficiently. This reduces the need for traditional budget cushions.

CLIENT RESULTS: Reduced budgeting errors from greater than 10% annually to less than 3% annually. This frees up millions of dollars to be re-allocated throughout the institution.

The figure below compares predicted semesterly budgets to what was actually paid out. Data points falling close to the 1:1 line indicates a predicted value, close to the actual value. For this institution, historically our financial aid budget forecasts have had a 97% correlation to the actual value. To learn more about budgeting analysis, [contact the SightLine team](#) or visit our [solutions page](#).

Actual vs Predicted Semesterly Budget



“Accurate, Agile, Data Driven Projection”

“I have been working with Sightline over the course of the last 5 years in projecting returning student financial aid costs. The projections have been extremely accurate even through the most recent pandemic experience. I have been able to have sightline include major shifts in our internal practices and the projections maintained accuracy.”

About SightLine: SightLine is a certified woman owned business dedicated to empowering universities to help students succeed using predictive analytics. Our data science experts have developed proven to inform strategies that have measurable impact on student outcomes, from recruitment all the way through graduation. We are proud to be the only provider in the market using advanced machine learning to craft customized solutions for each individual institution without deploying software- no out-of-the-box software or cookie-cutter solutions here. To learn more about SightLine, visit <https://sightlinedata.com/>.