



CENTRAL WASHINGTON UNIVERSITY

EASTERN WASHINGTON UNIVERSITY

THE EVERGREEN STATE COLLEGE

UNIVERSITY OF WASHINGTON

WASHINGTON STATE UNIVERSITY

WESTERN WASHINGTON UNIVERSITY

WASHINGTON STATE

Council of
Presidents

**Senate Higher Education Committee:
Overview of Student Debt**

Paul Francis
Executive Director

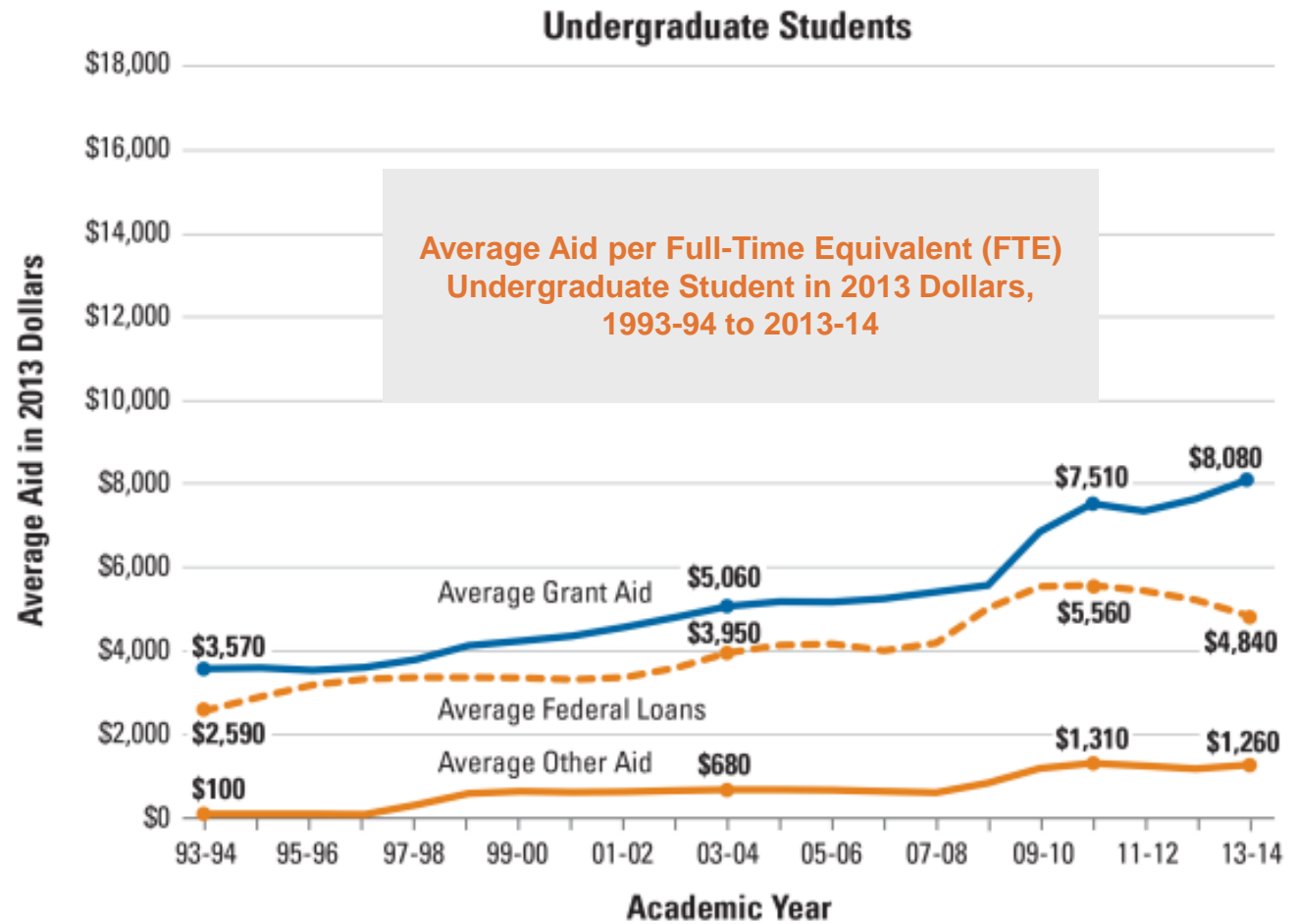
Student Debt Load – Facts

- Washington ranks **13th lowest** in average debt load nationally.
- **42%** of 2012 Washington graduates possessed no student loan debt, versus **31%** nationally.
- The average loan debt in Washington was **\$24,418**, versus **\$28,400** nationally.
- All the public baccalaureates maintain three-year FY 2011 loan default rates **below** statewide (**11.8%**) and national (**13.8%**) averages.

Source: *Student Debt and The Class of 2013, Project On Student Loan Debt, Trends in Student Aid, 2013*, College Board
FY 20113-year Official Cohort Default Rates by State/Territory, U.S. Department of Education

Student Debt Load – Facts

After increasing by **18%** between 2007-08 and 2010-11, the total amount students borrowed in federal and nonfederal education loans **declined by 13%** between 2010-11 and 2013-14. *(inflation adjusted)*



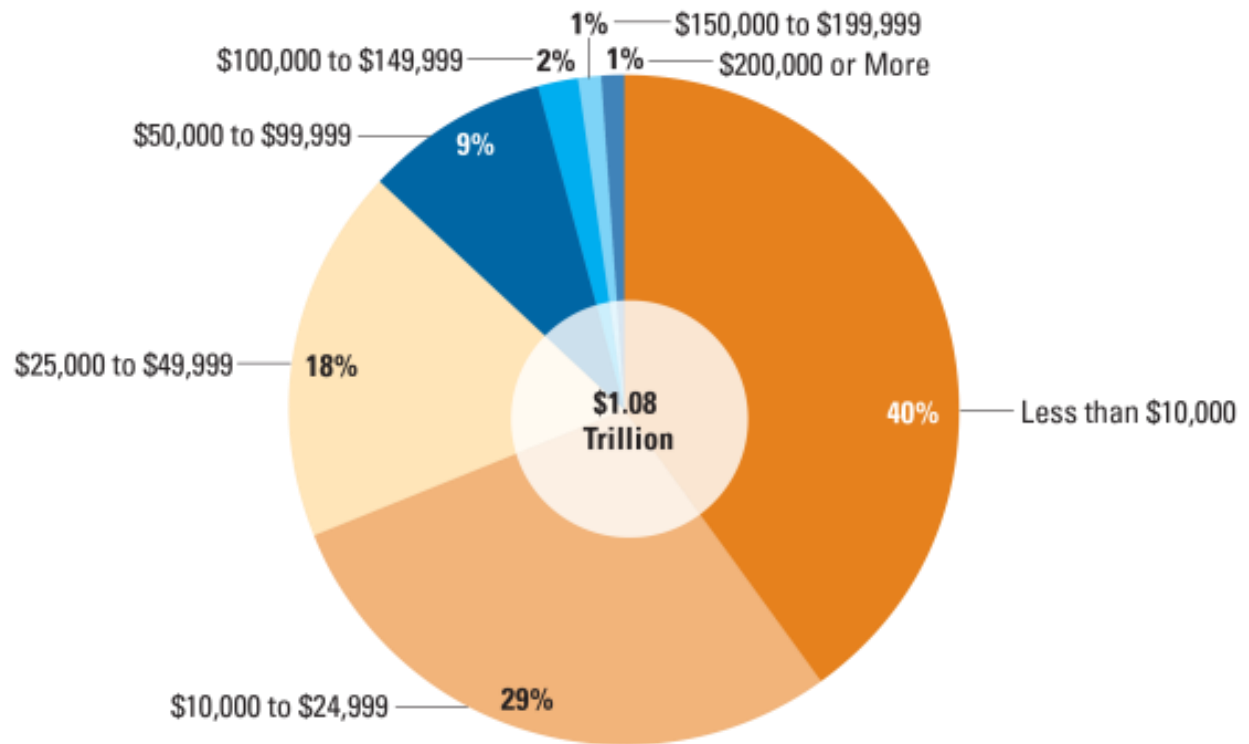
Source: "Trends in Student Aid 2014". College Board, November 2014

Student Debt Load – Facts

In 2013:

- **40%** of borrowers with outstanding education debt owed **less than \$10,000**;
- **29%** owed between **\$10,000 and \$25,000**;
- **4%** of borrowers owed **\$100,000 or more.**
(Graduate & Undergraduate)

Distribution of Outstanding Education Debt Balances, 2013



Source: "Trends in Student Aid 2014". College Board, November 2014

Helping Students Make Sound Financial Decisions

Federal Requirements

Our colleges and universities must comply with a number of federal requirements:

- Borrowers must perform loan entrance and exit counseling
- Students who decline federal direct student loans, but apply for private student loans must receive counseling from the financial aid office
- Award notifications include detailed descriptions of each loan and links to online resources
- Schools must notify students each time a loan is disbursed to them, allowing the borrower to cancel the loan within 10 days

Helping Students Make Sound Financial Decisions

What We Do

- Provide web based resources (*counseling, budget tools, debt modeling*)
- Offer workshops (*Financial Aid Dept., Money Sense, student organizations*)
- Provide financial aid informational sessions to students and their parents during orientation
- Target outreach to our students who have applied to graduate
- Students who seek additional funding for expenses not included in their base cost of attendance (*child care, study abroad, field trips, commuting expenses, etc.*) are required to review their total aggregate loan indebtedness
- One-on-one private counseling appointments with students and/or families when requested. Open walk-in office hours 5 days a week.

Helping Students Make Sound Financial Decisions

Going Above and Beyond



- Provide a dedicated financial aid counselor to at-risk populations such as first generation students, place bound students, and TRIO students
- Contract with a non-profit agency to provide our students comprehensive financial literacy and loan repayment counseling. (Eg. *Evergreen and WSU contract with the \$ALT Program*)
- Offer courses in Financial Literacy (Eg. *WWU: FIN 215 Personal Finance, FIN 216 Personal Investments*)

Helping Students Make Sound Financial Decisions

The Challenges

A lack of RESOURCES and varying STUDENT INTEREST

- **Lack the resources to implement a full literacy program with a dedicated staff member and technology**
 - Difficulty in maintaining a sustained effort in the face of other pressing priorities.
 - Resources could result in success such as Ohio State and Kansas State.
- **Varying student interest**
 - Difficulty to engage students at meaningful times when they are able to focus on the information.
 - Difficulty in finding meaningful incentives to get students to show up to workshops.
 - Lack of interest from the students who need it the most.
 - Lack of understanding of the long-term consequences of borrowing and debt.

Helping Students Make Sound Financial Decisions

Takeaways

- The student financial aid process is a complex web of federal and state agencies, lenders and non-governmental organizations; our schools work with students to package aid in a way to make students successful
- Our institutions work hard to inform students of the benefits and consequences of student loan debt
- Ultimately, increased financial awareness will require a sustained and integrated effort backed by adequate resources

