Ferris Foundation Board
Student Debt:
Background, Analysis and Action

October 24, 2014

David L. Eisler, president
Sally DePew, budget director
National Data
Average Student Debt Over Time

Figures are for graduating seniors with loans

Source – Institute for College Access & Success, 2014
National Data
Percent of Graduating Seniors with Loans

Source – Institute for College Access & Success, 2014
Source of College Loans
National Data
Amount Borrowed for Credit Earned

Completers and Noncompleters

<table>
<thead>
<tr>
<th>Institution Type</th>
<th>Completers</th>
<th>Noncompleters</th>
</tr>
</thead>
<tbody>
<tr>
<td>Public 4-year</td>
<td>$130</td>
<td>$90</td>
</tr>
<tr>
<td>Private nonprofit 4-year</td>
<td>$190</td>
<td>$120</td>
</tr>
<tr>
<td>Public 2 year</td>
<td>$80</td>
<td>$70</td>
</tr>
<tr>
<td>For profit</td>
<td>$350</td>
<td>$220</td>
</tr>
</tbody>
</table>

Comparison is in 2009 dollars

National Center for Educational Statistics, 2013
Student Debtors More Likely to Owe On Cars, Credit Cards

<table>
<thead>
<tr>
<th></th>
<th>Has Student Debt</th>
<th>No student debt</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>College Educated</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Credit card</td>
<td>60%</td>
<td>39%</td>
</tr>
<tr>
<td>Vehicle</td>
<td>43%</td>
<td>27%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>Has Student Debt</th>
<th>No student debt</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Not College Educated</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Credit card</td>
<td>46%</td>
<td>34%</td>
</tr>
<tr>
<td>Vehicle</td>
<td>41%</td>
<td>34%</td>
</tr>
</tbody>
</table>

Head of Household is <40
Source: Pew Research Center
2010 Survey of Consumer Finances
Student Debtors Carry a Heavier Overall Debt Load

Median total indebtedness of young households

- College Educated: $137,010
- Not College Educated: $28,300

Head of Household is <40
Source: Pew Research Center
2010 Survey of Consumer Finances
Average Student Debt BS Graduates with Debt
Ferris State University

$28,483
$31,356
$34,767
$35,468
$35,476
$36,930
$37,325

Michigan Public University
Average Debt of Graduates with Debt
And Proportion of Graduates with Debt
2011-12

Avg Debt
Graduates with Debt
Average Debt Distribution
BS Graduates Ferris State University

<table>
<thead>
<tr>
<th>Income Range</th>
<th>Percent Distribution</th>
</tr>
</thead>
<tbody>
<tr>
<td>$10,000</td>
<td>8.5%</td>
</tr>
<tr>
<td>$20,000</td>
<td>14.6%</td>
</tr>
<tr>
<td>$30,000</td>
<td>18.1%</td>
</tr>
<tr>
<td>$40,000</td>
<td>17.9%</td>
</tr>
<tr>
<td>$50,000</td>
<td>12.7%</td>
</tr>
<tr>
<td>$60,000</td>
<td>9.3%</td>
</tr>
<tr>
<td>$70,000</td>
<td>7.4%</td>
</tr>
<tr>
<td>$80,000</td>
<td>6.2%</td>
</tr>
<tr>
<td>$90,000</td>
<td>2.9%</td>
</tr>
<tr>
<td>$100,000</td>
<td>1.7%</td>
</tr>
<tr>
<td>Above $100k</td>
<td>0.6%</td>
</tr>
</tbody>
</table>
Four Strategies for Success

- Contain Costs
- Reduce Time to Degree by One Year
- Raise Institutional Financial Aid Support
- Double the Scholarship Base
MPU Net Price Change
FY 2008-09 to FY 2011-12
Family Income $0-$30,000

-25%  -12%  -6%  -1%  0%  3%  5%  11%  15%  19%  22%  22%  35%  40%  40%

Legend:
- FSU
- UMA
- LSSU
- CMU
- OAK
- MTU
- NMU
- EMU
- UMF
- WMU
- WSU
- SVSU
- MSU
- GVSU
- UMD

Ferris State University
MPU Net Price Change
FY 2008-09 to FY 2011-12
Family Income $48,001-$75,000
Four Strategies for Success

• Contain Costs
• Reduce Time to Degree by One Year
• Raise Institutional Financial Aid Support
• Double the Scholarship Base
FSU Average Student Credit Load per Semester

<table>
<thead>
<tr>
<th>Year</th>
<th>Credit Load</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY10</td>
<td>11.7</td>
</tr>
<tr>
<td>FY11</td>
<td>11.49</td>
</tr>
<tr>
<td>FY12</td>
<td>11.43</td>
</tr>
<tr>
<td>FY13</td>
<td>11.48</td>
</tr>
<tr>
<td>FY14</td>
<td>11.3</td>
</tr>
</tbody>
</table>
Four Strategies for Success

If we can reduce each student’s time to degree by one year, we will save our students $22.9 million in debt!
Four Strategies for Success

• Contain Costs
• Reduce Time to Degree by One Year
• Raise Institutional Financial Aid Support
• Double the Scholarship Base
Michigan Public University
Financial Aid % of General Fund Spending
2012-13

UMF  CMU  FSU  MSU  UMD  WSU  GVSU  SVS  UMA  OU  NMU  LSSU  EMU  WMU  MTU
6.5%  8.4%  9.5%  9.8%  10.5%  10.8%  11.0%  11.0%  12.2%  12.6%  12.9%  13.2%  13.4%  14.3%  17.0%
Four Strategies for Success

• Contain Costs
• Reduce Time to Degree by One Year
• Raise Institutional Financial Aid Support
• Double the Scholarship Base
Donor Scholarships - 2013

- **Endowed Scholarships**
  - 232 scholarships
  - $548,220 in scholarships

- **Annual Scholarships**
  - 345 scholarships
  - $408,000 in scholarships
Four Strategies for Success

• Contain Costs

• Reduce Time to Degree by One Year

• Raise Institutional Financial Aid Support

• Double the Scholarship Base
Our Goal

To not just slow the growth in student debt...

...but to reduce the student debt for each and every Ferris State University Graduate.