Student Debt:

Background, Analysis and Action

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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

The graph illustrates the source of college loans from 2001-02 to 2010-11. It shows the contribution of Subsidized Stafford Loans, Unsubsidized Stafford Loans, Parent PLUS Loans, and Nonfederal Loans. Over the years, there has been an overall increase in the loans, with Nonfederal Loans being the largest contributor, followed by Subsidized Stafford Loans, Parent PLUS Loans, and Unsubsidized Stafford Loans.
National Data
Amount Borrowed for Credit Earned

Completers and Noncompleters

Comparison is in 2009 dollars

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

College Educated

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

Not College Educated

<table>
<thead>
<tr>
<th></th>
<th>Has Student Debt</th>
<th>No student debt</th>
</tr>
</thead>
<tbody>
<tr>
<td>Credit card</td>
<td>34%</td>
<td>46%</td>
</tr>
<tr>
<td>Vehicle</td>
<td>34%</td>
<td>41%</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:
  - Has Student Debt: $73,250
  - No Student Debt: $28,300

- Not College Educated:
  - Has Student Debt: $2,500
  - No Student Debt: $28,300

Source: Pew Research Center
2010 Survey of Consumer Finances
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

8.5% 14.6% 18.1% 17.9% 12.7% 9.3% 7.4% 6.2% 2.9% 1.7% 0.6%
Average Student Debt Trend

Bachelor Degree Recipients

FY07 FY08 FY09 FY10 FY11 FY12 FY13 FY14 FY15 FY16 FY17 FY18 FY19 FY20

Bachelor Bachelor Initial
Four Strategies for Success

• Contain Costs
• Raise Institutional Financial Aid Support
• Double the Scholarship Base
• Reduce Time to Degree by One Year
MPU Net Price Change
FY 2008-09 to FY 2011-12
Family Income $30,001-$48,000

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

[Bar chart showing percentage changes for various institutions, with Ferris State University highlighted with a yellow circle.]
Four Strategies for Success

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• Double the Scholarship Base

• Reduce Time to Degree by One Year
General Fund
Student Assistance

Student Assistance (GF)

Bachelor Graduate Debt

FY07  FY08  FY09  FY10  FY11  FY12  FY13  FY14

$0  $5  $10  $15  $20  $25  $30  $35  $40

Ferris State University
Michigan Public University
Financial Aid % of General Fund Spending
2012-13

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

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Donor Scholarships - 2013

• Endowed Scholarships
  • 232 scholarships
  • $548,220 in scholarships

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

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FSU Average Student Credit Load per Semester

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

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Four Strategies for Success

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

• If we could reduce each student’s time to degree by one year, we would save our students $22.9 million in debt!
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.

Working together we can and we will make a difference for our students
1. What can you do about student debt?

2. How can we get students to complete 30 credit hours per academic year?

3. How can we mobilize our people to make time to degree an institutional priority?