



UTAH SYSTEM OF HIGHER EDUCATION



UTAH FOUNDATION
RESEARCH • ANALYZE • INFORM

PAYING FOR COLLEGE

March 20, 2014

Utah Higher Education Assistance Authority

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UTAH HIGHER EDUCATION
ASSISTANCE AUTHORITY



Utah Higher Education Assistance Authority

Utah Foundation
Annual Meeting
March 20, 2014



- Student loan and financial aid organization of the Utah State Board of Regents
- Established by state statute in 1977



UTAH SYSTEM OF HIGHER EDUCATION



Utah Higher Education Assistance Authority

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- Major provider of higher education financing and services for Utah
 - Student loans
 - Grants
 - Loan servicing
- Leading role in how-to-pay-for college community outreach services



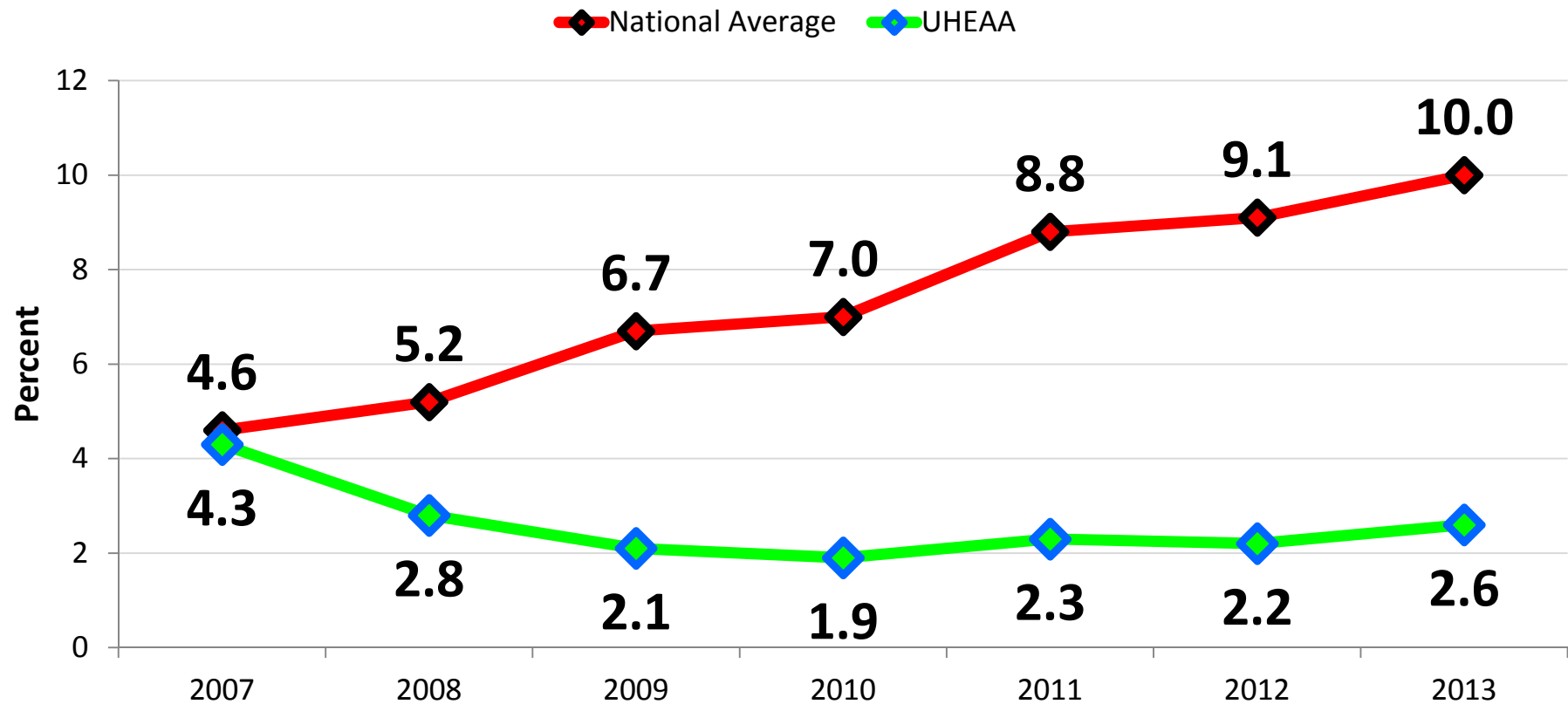
UHEAA: Success Story for State of Utah

- UHEAA's 37-year history
- \$6.6 billion in student loans to 1.8 million students

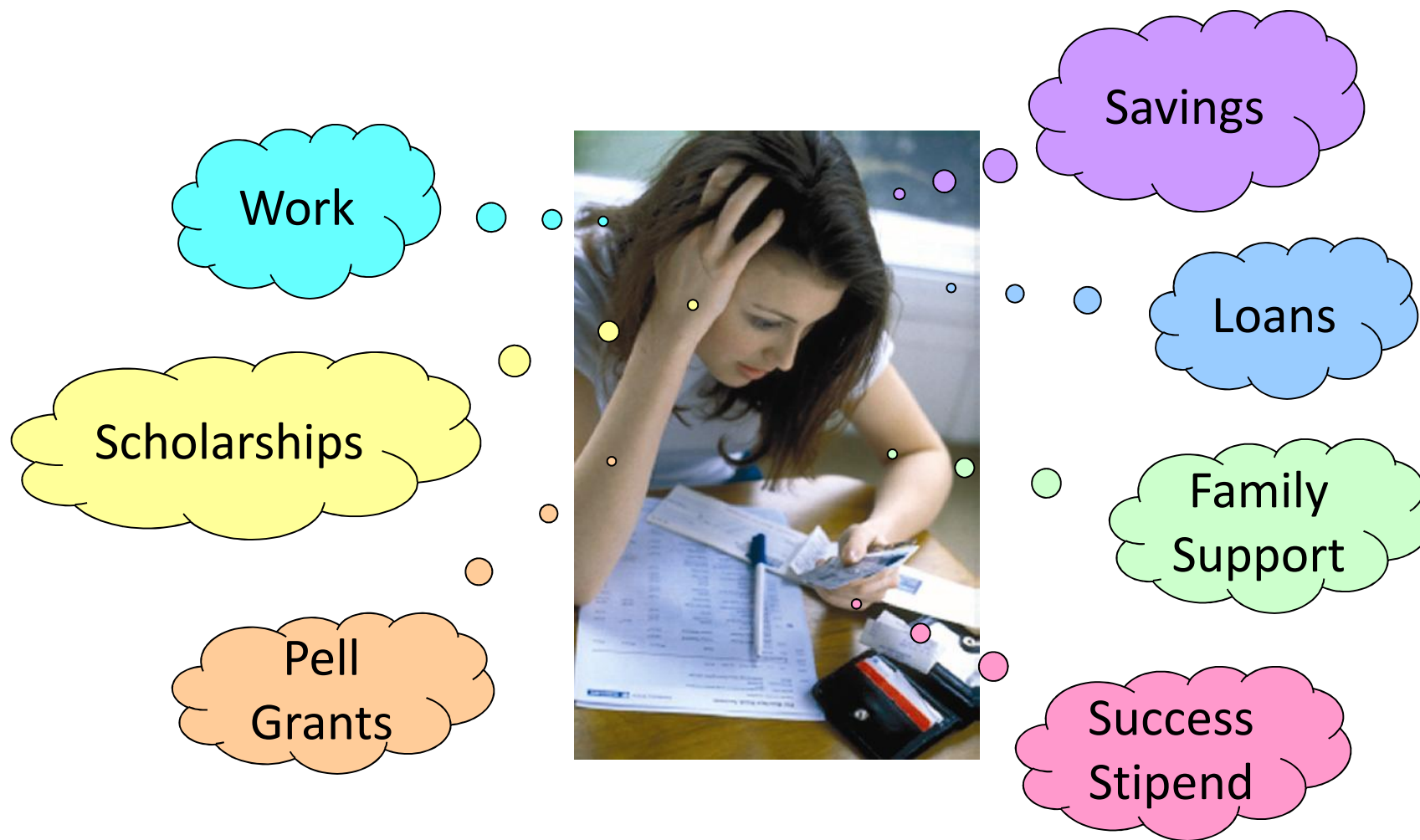


UHEAA's low student loan default rates

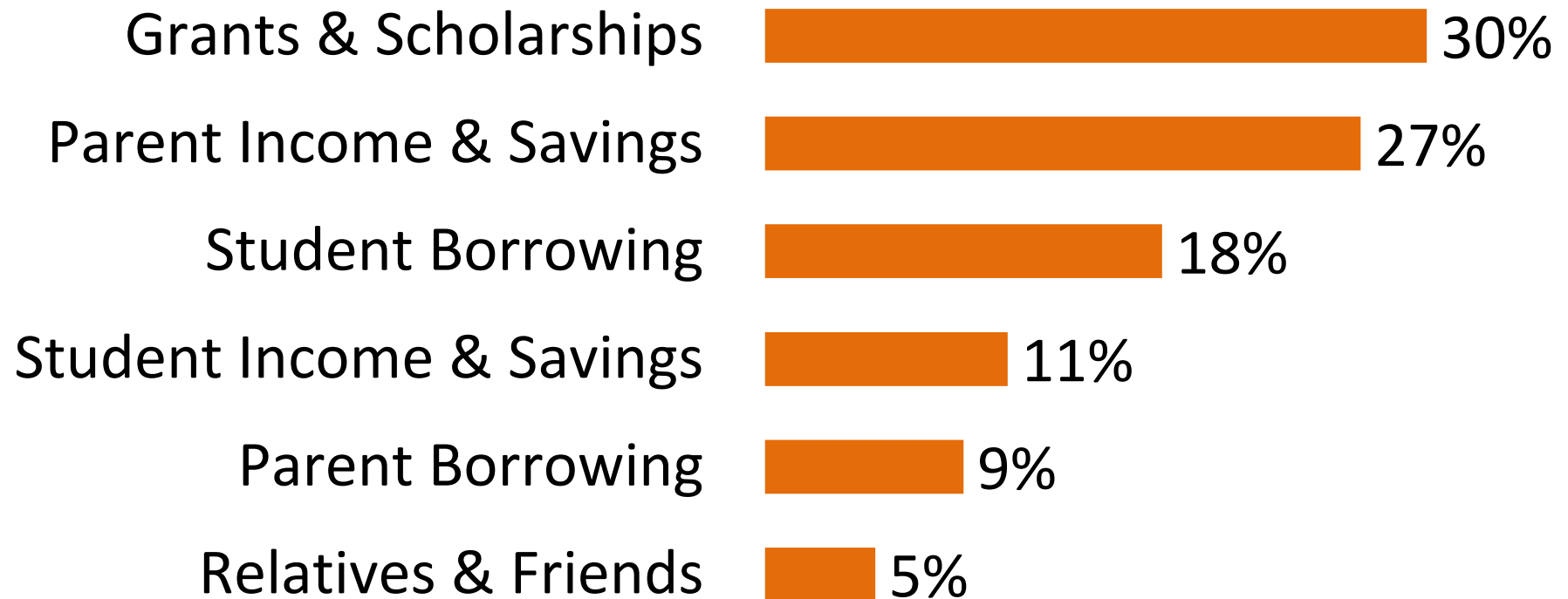
UHEAA's Low Default Rates



How do students pay for college?



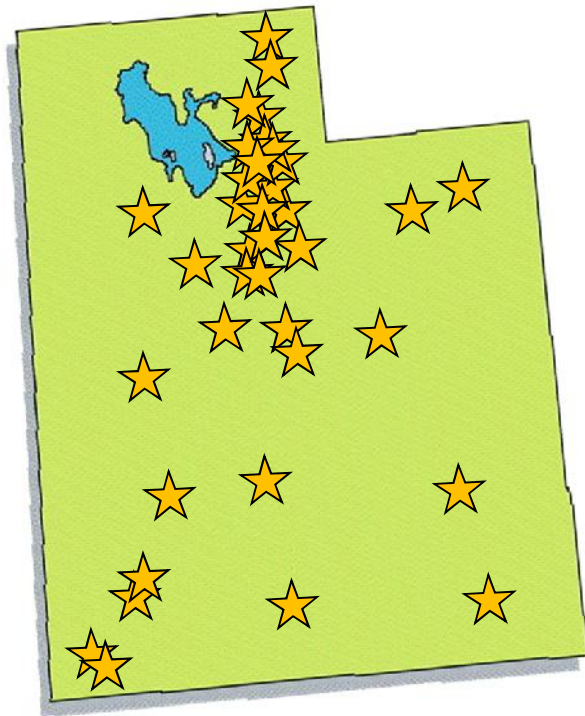
How the typical family pays for college



Source: SLM Corp. Ipsos, *How America Pays for College*, 2013

UHEAA Community Outreach Services to Schools and Students

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How to Pay for College

Free, statewide workshops

Last 24 months of activity:

- 275 "Prepare for college" events
- Over 26,000 in attendance
 - students
 - parents
 - guidance counselors

UHEAA's consistent message to families –

**BORROW
WIS\$ELY**™ powered
by
uheaa



1. Save for college
2. Apply for:
 - Grants
 - Scholarships
 - Work Study
3. Consider loans last

Pell Grants – Largest Federal student aid grant program

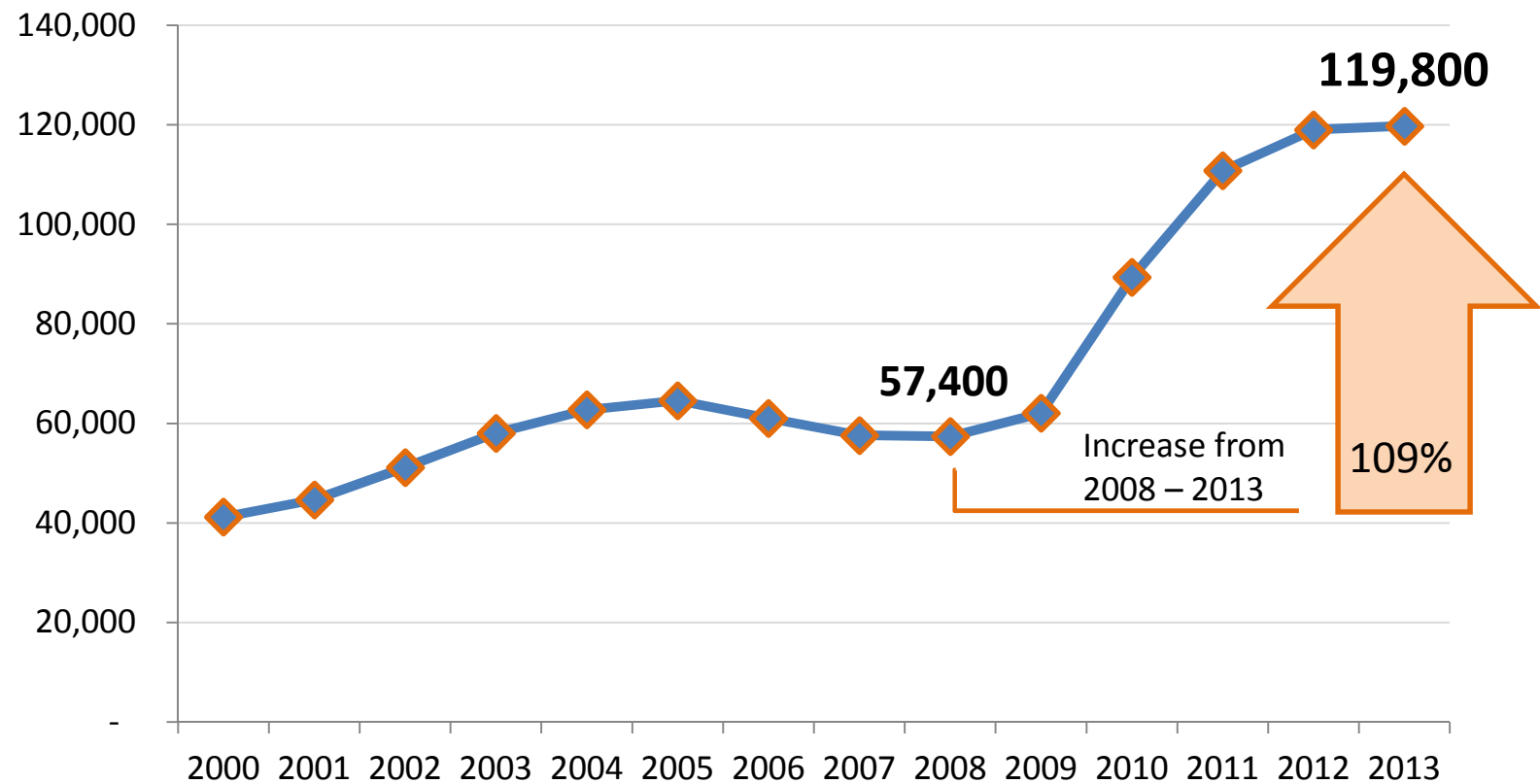
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- Utah students – significant users of Pell Grant
- Pell Grants based on financial need for undergraduate study
- Maximum award: **\$5,730**
- 12 semesters
- Total Utah Pell for 2012-13:
 - 119,800 students
 - \$421 million
- Up to 30 credit hours for remedial coursework



Pell Grant recipients in Utah

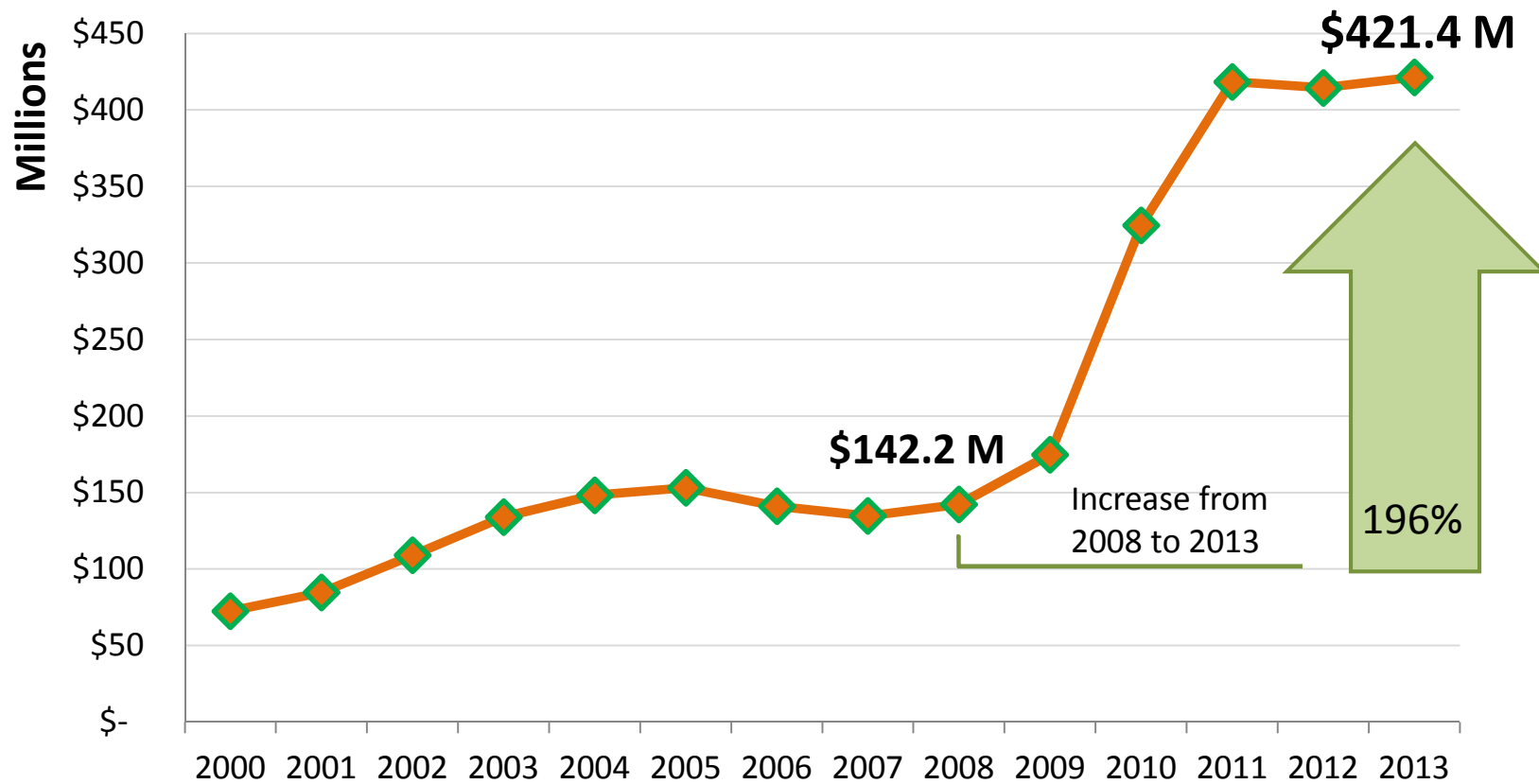
Award Years 2000-2013



Source: US Department of Education

Pell Grant dollars in Utah

Award Years 2000-2012



Source: US Department of Education

Highest Pell volume schools in Utah

2012-2013 Pell Grant Volume at Utah Schools		
School	Recipients	Disbursements
UTAH VALLEY UNIVERSITY	14,900	\$52.4 M
BRIGHAM YOUNG UNIVERSITY	12,300	\$49.8 M
SALT LAKE COMMUNITY COLLEGE	14,200	\$41.5 M
UTAH STATE UNIVERSITY	10,200	\$37.6 M
UNIVERSITY OF UTAH	8,900	\$32.8 M
WEBER STATE UNIVERSITY	9,100	\$30.9 M

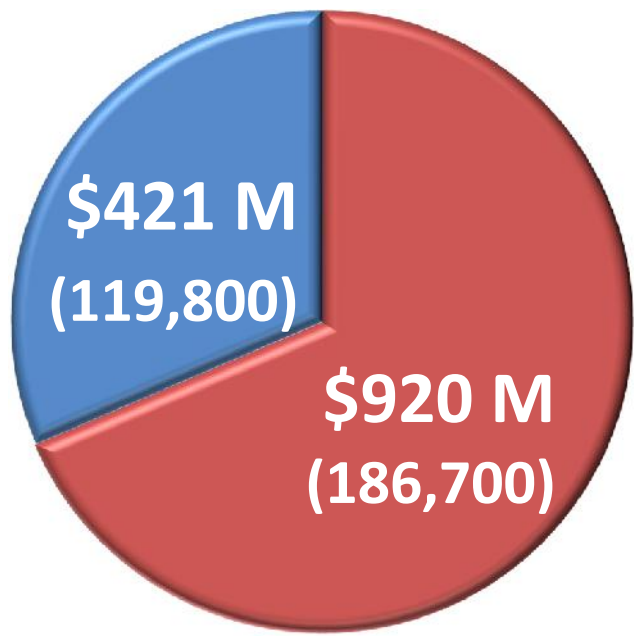
Source: US Department of Education

Pell & Loan use in Utah: Twice as much loan volume compared to Pell

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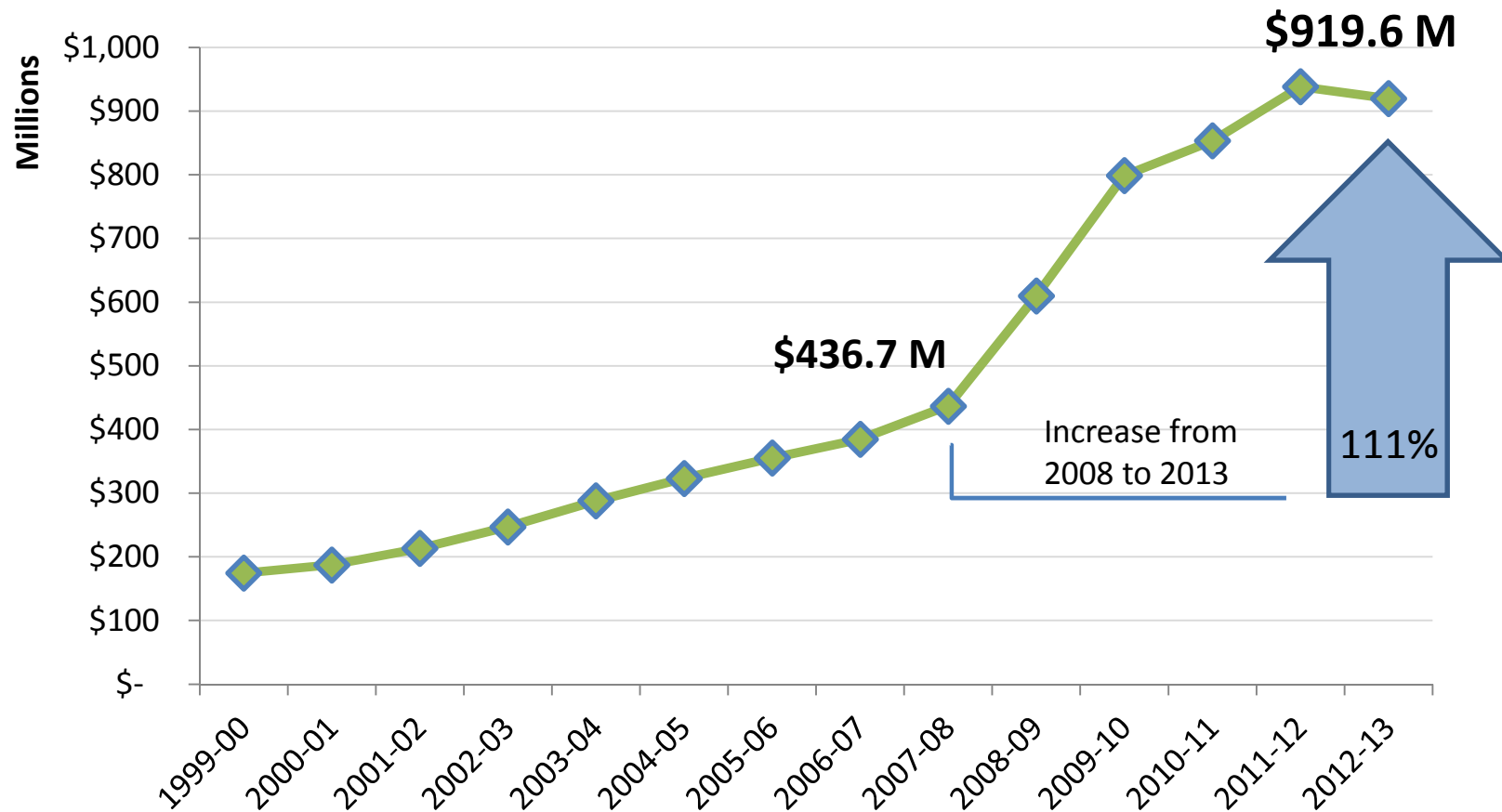
2012-13 Volume

■ Loans ■ Pell Grants



Federal student loan volume in Utah

Award Years 2000 to 2013



Source: US Department of Education

Student loan volume at Utah schools

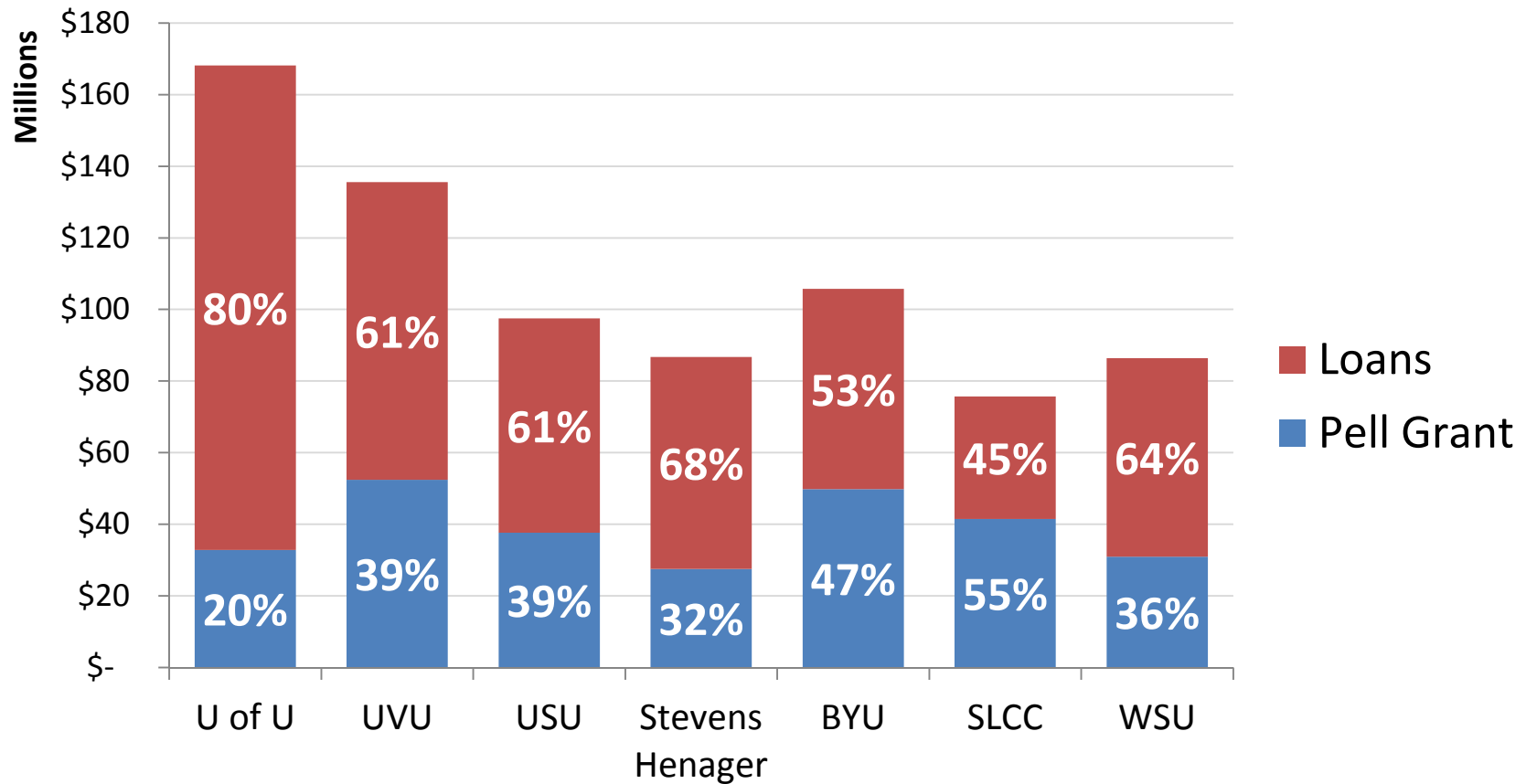
2012-13 Award Year

School	Dollar Amount
UNIVERSITY OF UTAH	\$ 135.4 M
UTAH VALLEY UNIVERSITY	\$ 83.1 M
UTAH STATE UNIVERSITY	\$ 59.9 M
STEVENS HENAGER COLLEGE	\$ 59.2 M
BRIGHAM YOUNG UNIVERSITY	\$ 56.0 M

Student loan and Pell Grant dollar volume at Utah schools

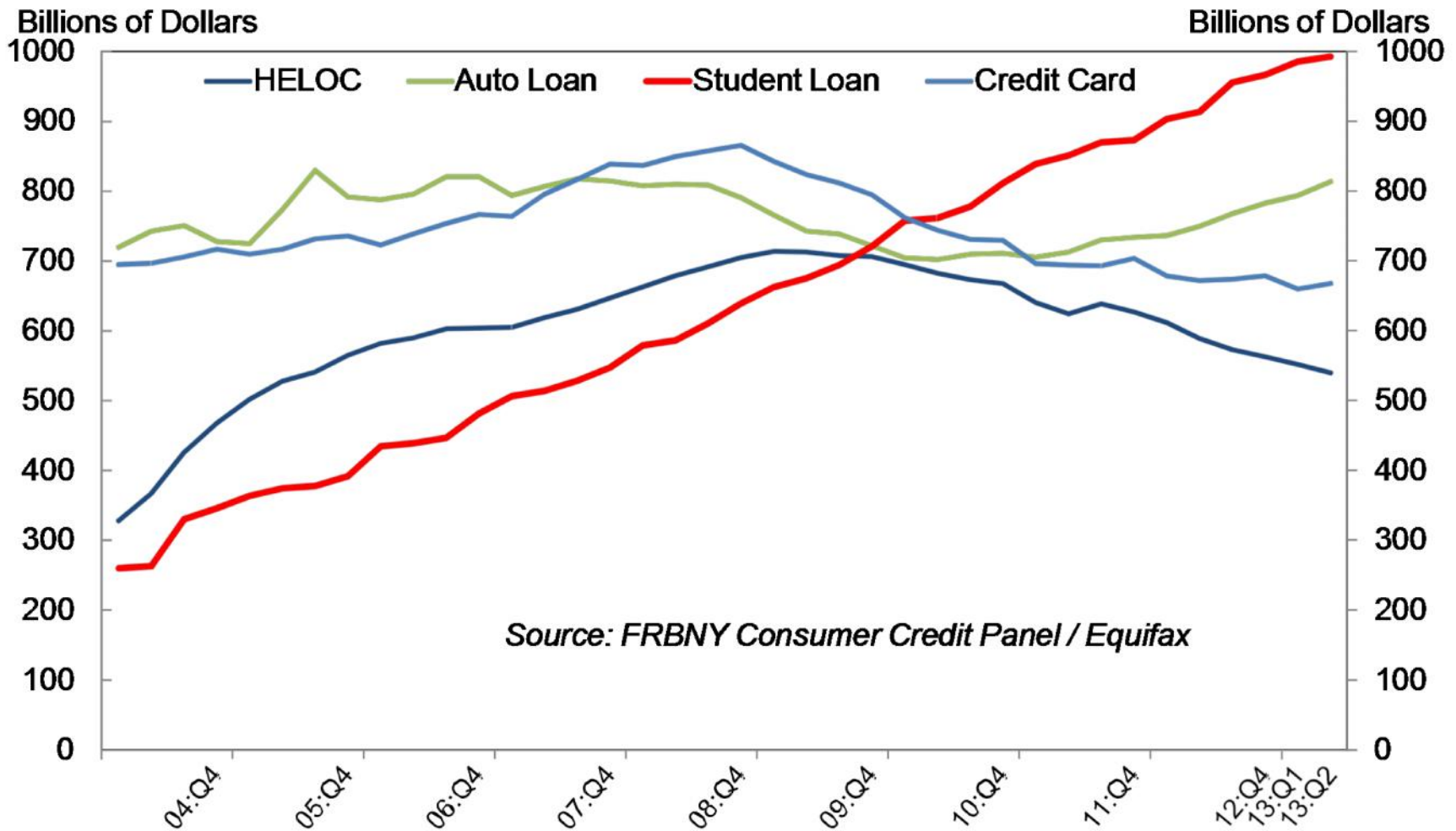
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Pell & Loan Dollar Volume 2012-13



Student debt surpasses all other non-mortgage debt

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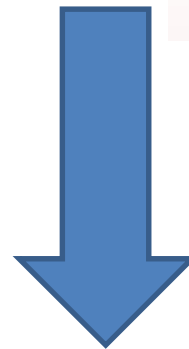
Post-recession reality: Decreased parental support for paying college expenses

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- Student loan debt is the only kind of household debt that continued to rise during the recession.
- Parents' average out-of-pocket spending for college expenses has decreased by 35% since 2010.



\$8,752 to \$5,727

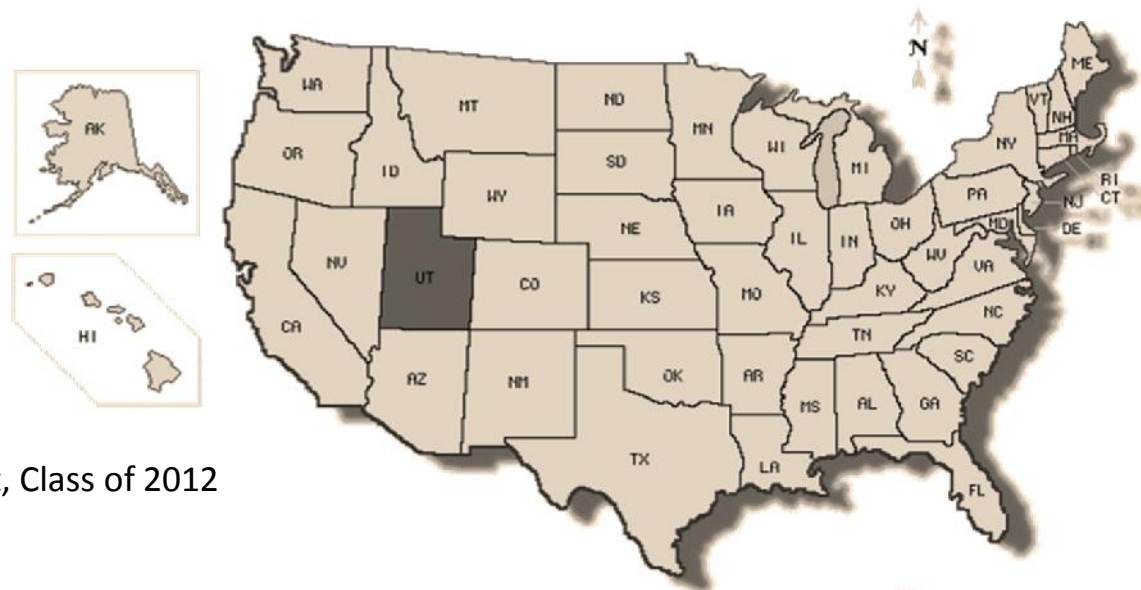


Source: SLM Corp. Ipsos, *How America Pays for College*, 2013

50% of Utah graduates have loans

Utah average student loan debt of college seniors ranks **44th in nation at \$21,520.**

National average is \$29,400.



Source: Project on Student Debt, Class of 2012

Example monthly payment amount

- \$21,520 balance
- 6% interest rate
- 10-year repayment period

Monthly payment = \$239

Annual income of \$36,000 needed
to service this debt level.

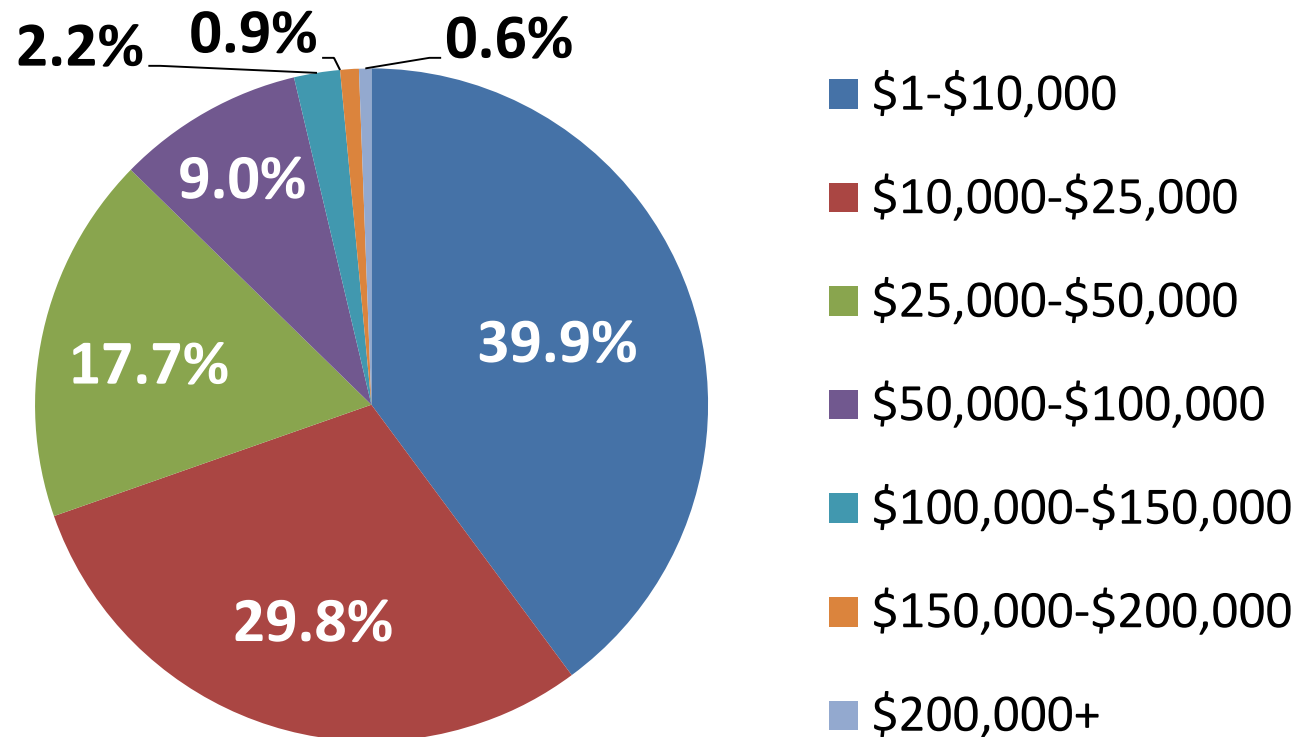


Reality of borrowing patterns

Press stories of extremely high debt levels are the exception.

**40% of
borrowers have
balances less
than \$10,000**

**3.7% of
borrowers have
balances greater
than \$100,000**



Source: FRBNY Consumer Credit Panel / Equifax

Need-based, state grant aid



Utah ranks 48th in state need-based grant dollars per undergraduate FTE.¹

"Low-income and minority students who receive grants generally are more likely to persist than those who receive loans."²

¹Source: National Association of State Student Grant and Aid Programs 43rd Annual Survey Report

²Source: Educational Policy Institute, StudentRetention.org

Additional state investment needed for Utah to move up in ranking from #48

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Annual State Grant Dollars Needed

3 Spots to #45

\$2.4 million

5 Spots to #43

\$9.7 million

To Midpoint #26

\$43.9 million

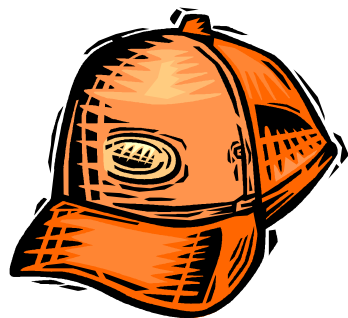
**To reach the national average:
\$86.9 million**



One day at the gas station

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