

Student Aid and Debt Presentation

November 12, 2020

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COVID–19 Student Relief

- In March 2020 - CARES Act suspended student loan payments and interest for both current borrowers and outstanding federal loan balances through September 30, 2020 as part of COVID-19 relief.
- In August 2020 –the Secretary of Education extended the relief through December 31, 2020.
- Borrowers with income driven repayment plans, including the Public Service Loan Forgiveness, are able to apply the suspended months towards on-time payments under both actions as long as work requirements are met.
- \$5 million from CU Foundation in FY 2020-21 (Fall 2020) resulted in 5,223 financial aid awards system wide with more than 9,000 applicants.

CU Foundation Relief Funds	Boulder	UCCS	Denver	Anschutz	Summary
Number of Applicants	2,114	1,400	3,237	2,270	9,021
Number of Awards	1,454	562	2,426	781	5,223
Average Award	\$1,786	\$1,700	\$450	\$450	\$957



Facts About National Student Loan Debt, \$1.67 Trillion

- Includes all outstanding balances for federal and private student loans processed through financial aid, plus accrued interest.
- Forty percent of outstanding student loan debt is from graduate students.
- Only eight percent of outstanding debt comes from private loans.
- Non-completers are more likely to default on student loans than completers.
- Default rates are much lower for those who earn credentials.
- In spite of all of the concerns about student debt levels, the fact remains, a college education pays off and is an investment worth making.

Source: U.S. Department of Education



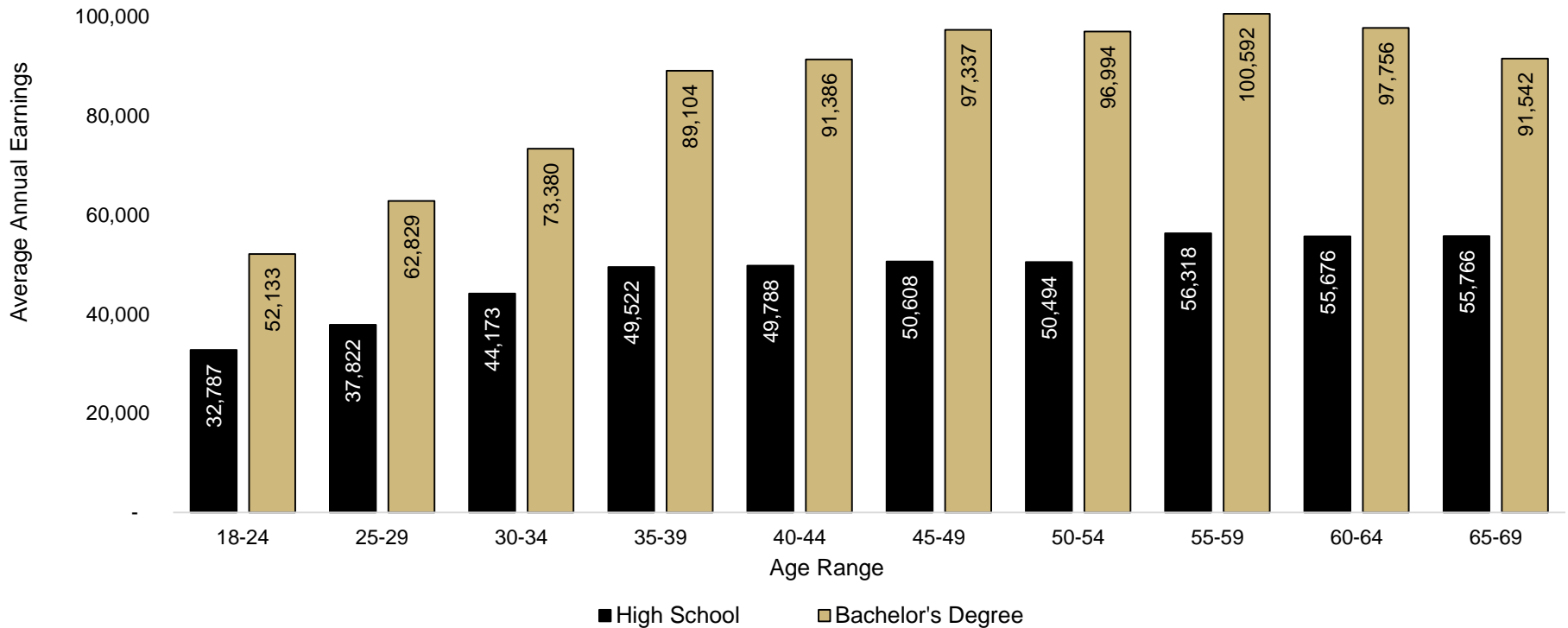
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Average Annual Earnings High School vs. Bachelor's Degree

On average, Bachelor's degree recipients earn ***\$1.5 million more*** than High School graduates over the course of their career.



Note: Does not include possible earnings while pursuing Bachelor's degree.

Source: Average Annual Earning for full-time year round workers by education, U.S. Census Bureau, Current Population Survey, 2019 Annual Social and Economic Supplement.

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Colorado's Affordability Roadmap

- The Colorado Department of Higher Education published an affordability roadmap with steps for institutions of higher education to follow to contain costs and support students.
- To illustrate areas of alignment at CU, the CDHE icon will be at the bottom of the slide.



Link to full report: <https://highered.colorado.gov/Publications/Reports/Roadmap-to-Containing-College-Costs-and-Making-College-Affordable.pdf>

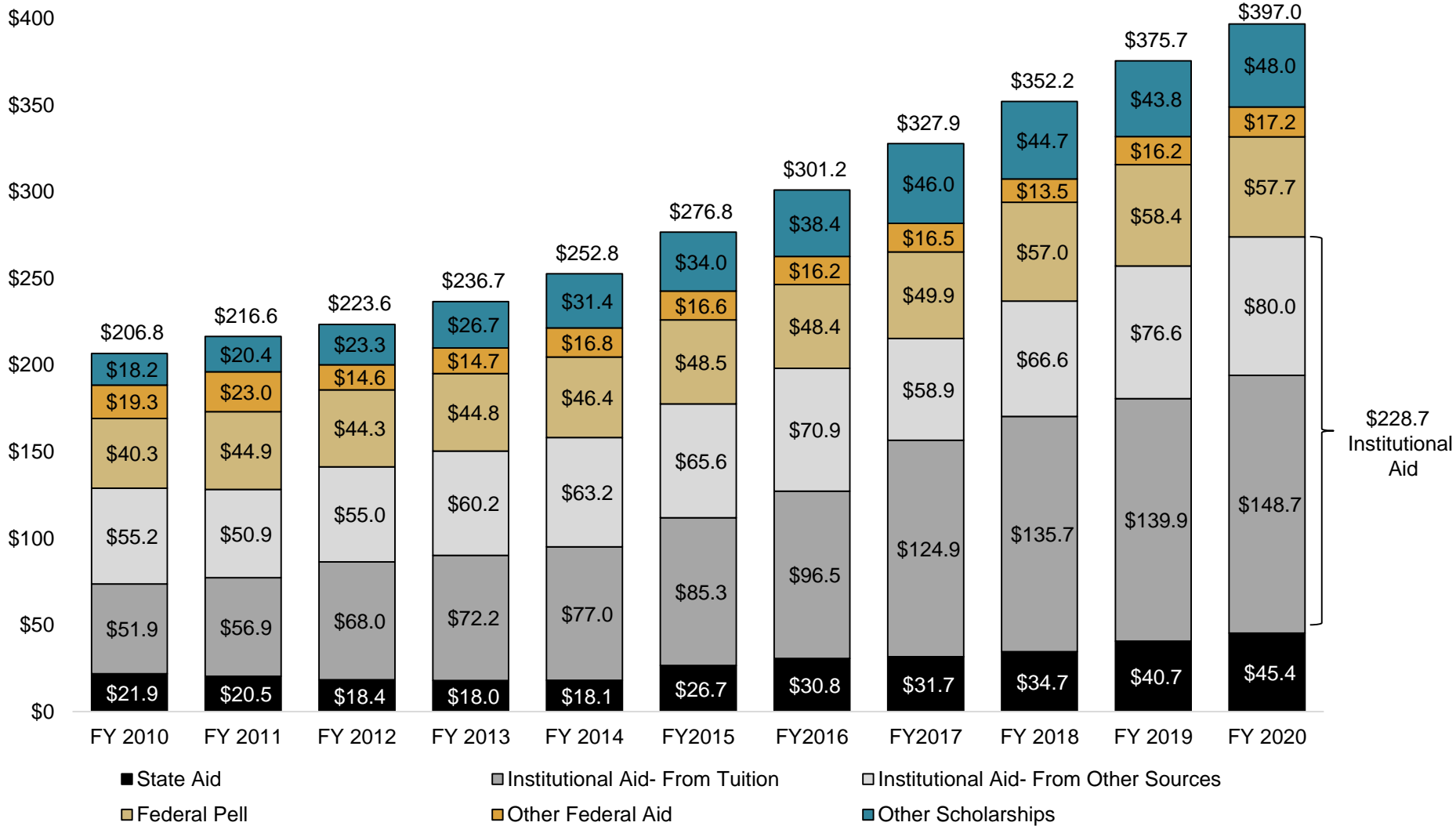


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Financial Aid History by Source (in millions)



Source: CU Financial Aid

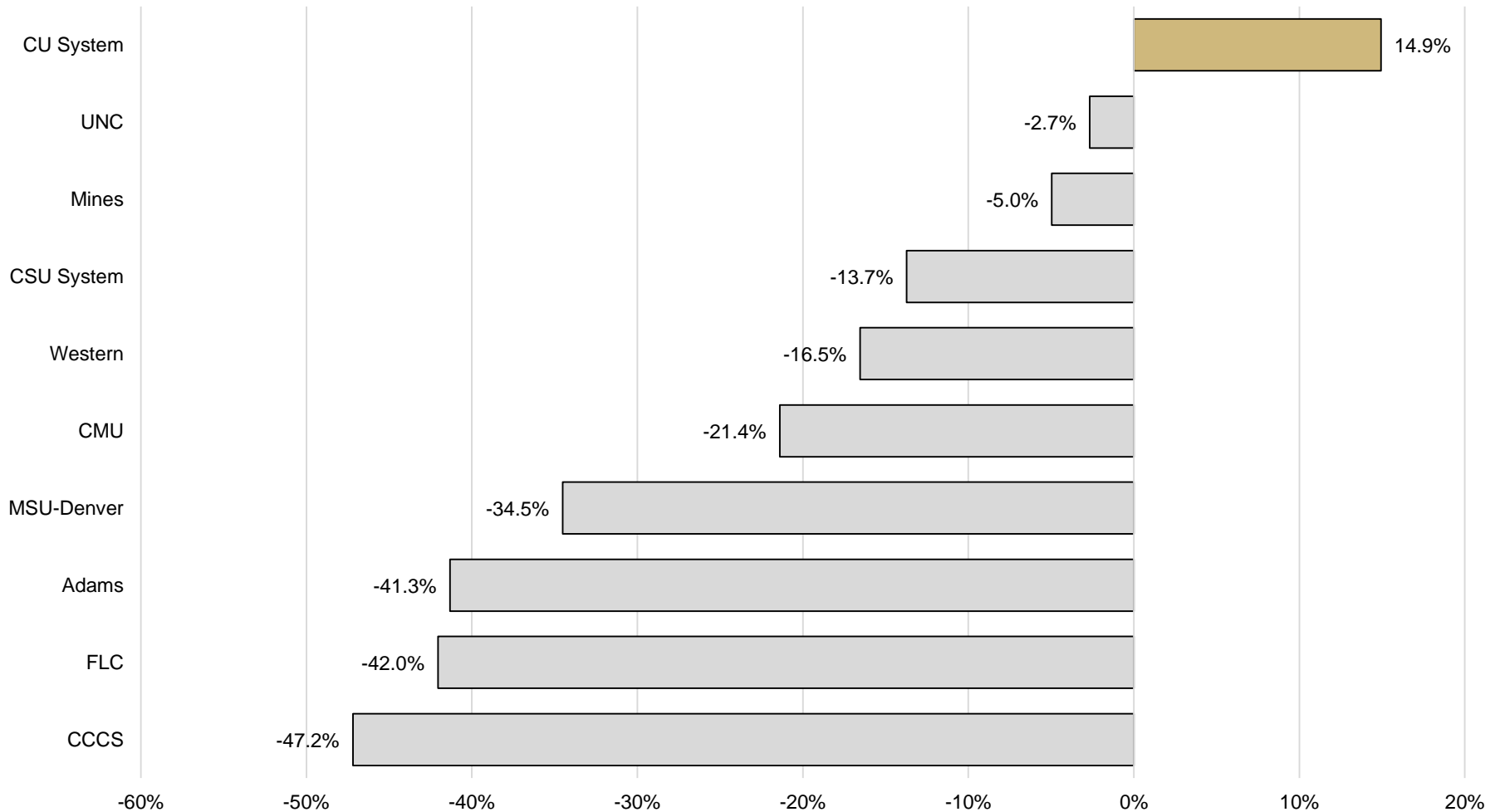
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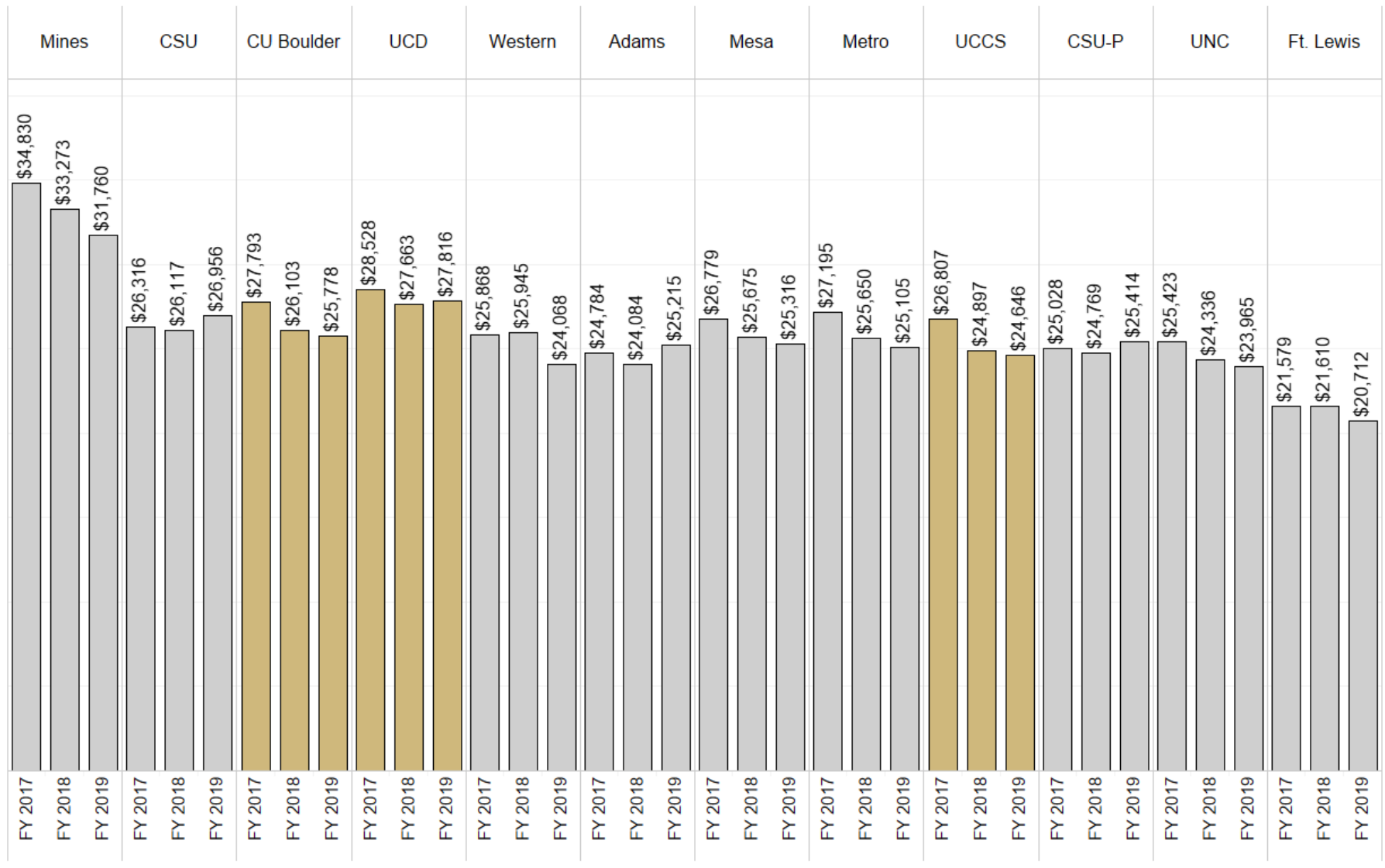
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Changes to Pell Eligible Populations (FY 2012 to FY 2019)



CCHE's need based financial aid formula rewards retention and progress of Pell eligible students. Since the allocation was implemented in FY 2012, CU has retained Pell eligible students at a greater rate than most colleges thru FY 2019.

Average Resident Undergraduate Student Debt Bachelor's Degree Recipients with Loans

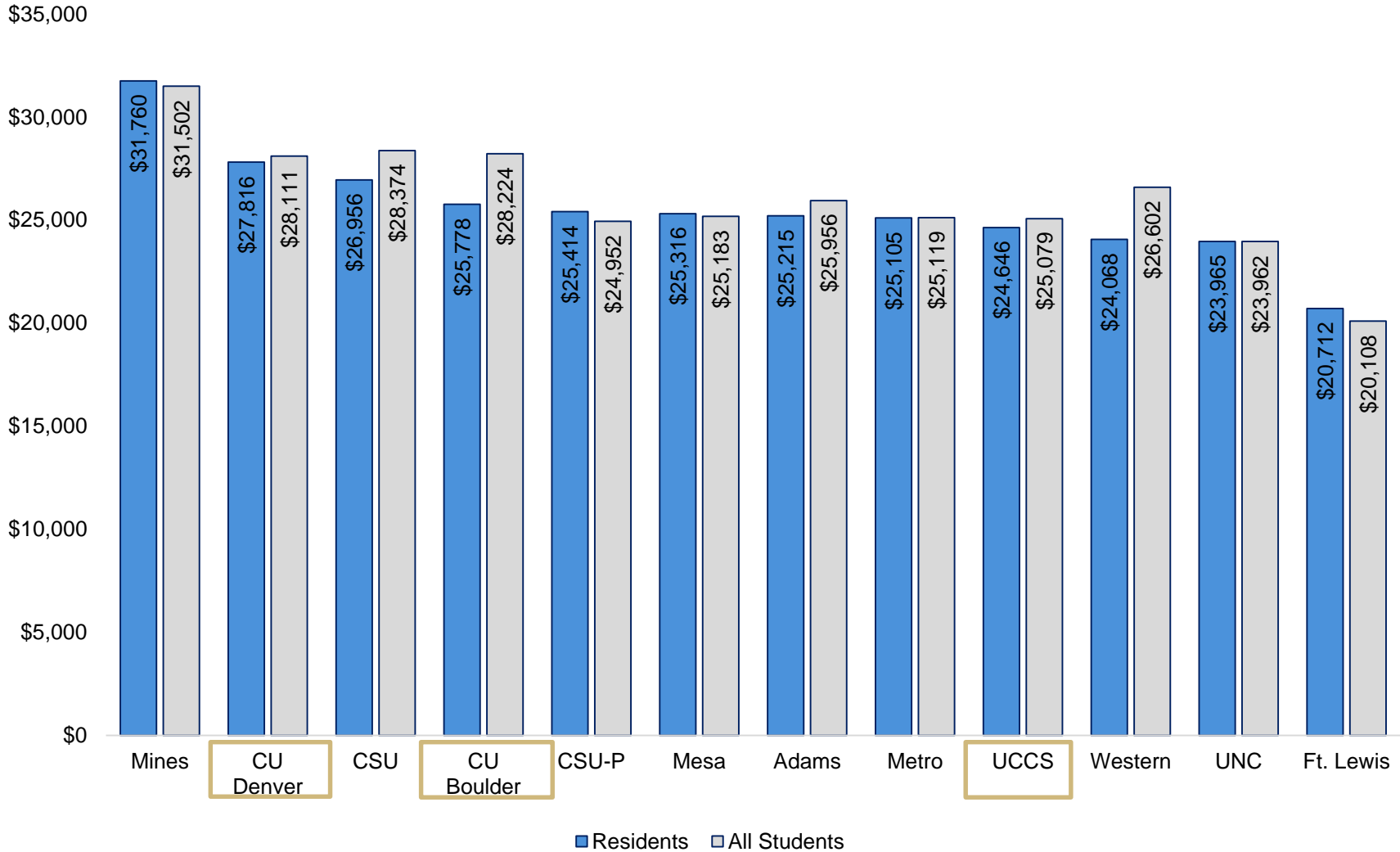


Source: CDHE FY 2018-19, Resident Undergraduates Only

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Average Undergraduate Debt Load Upon Graduation (FY 2019)

(only 50.4% of completers took loans at CU*)



Source: Colorado Department of Higher Education; includes Federal Direct, Federal Perkins, Federal Other, and private loans.

*Varies by campus.

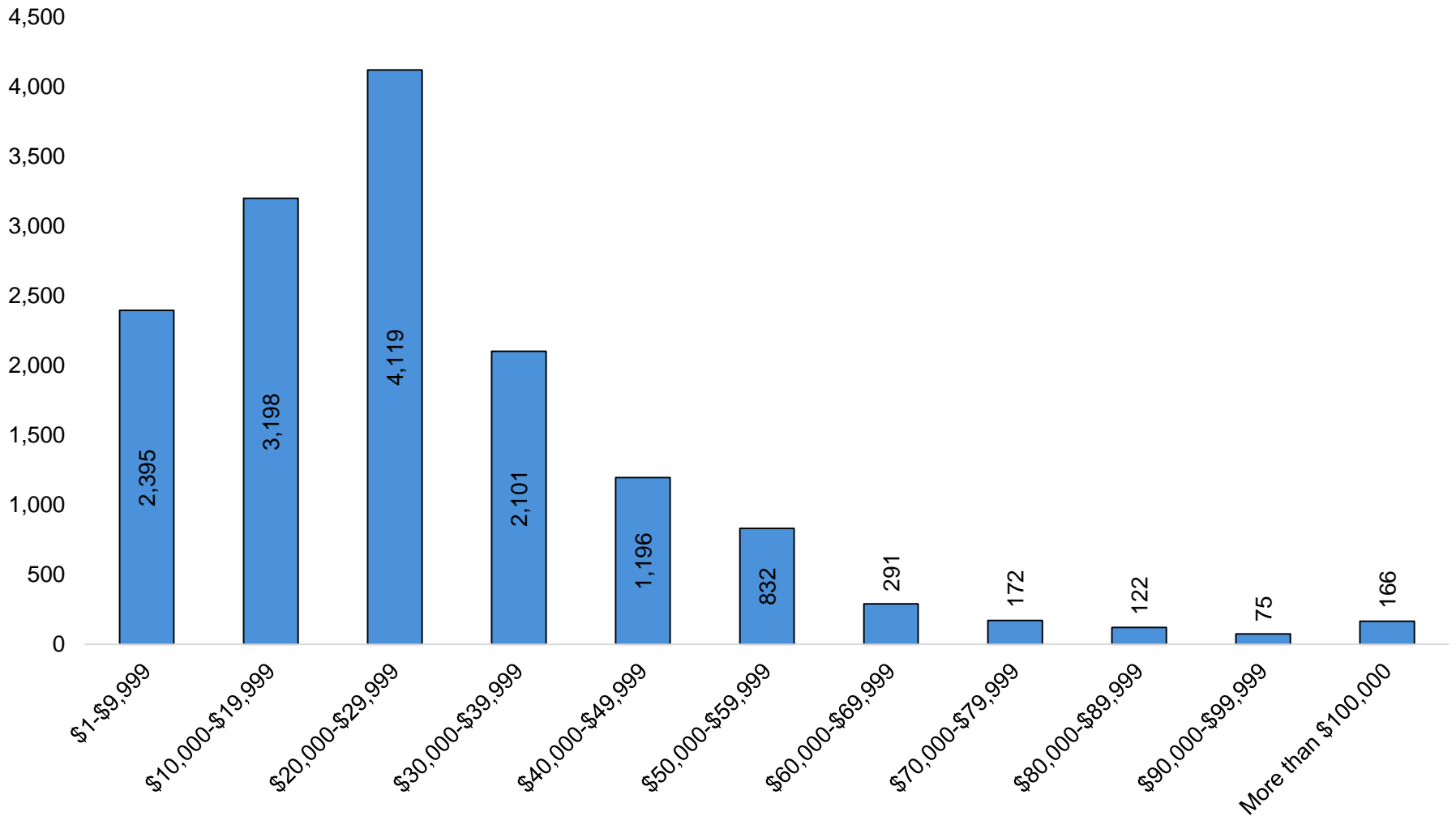


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Bachelor's Degree Recipients Loan Amounts in Colorado, FY 2019



Source: 2019 Student Loan Data from SURDS from the Colorado Department of Higher Education, public institutions. FY 2019 graduates taking loans in prior 6 years.

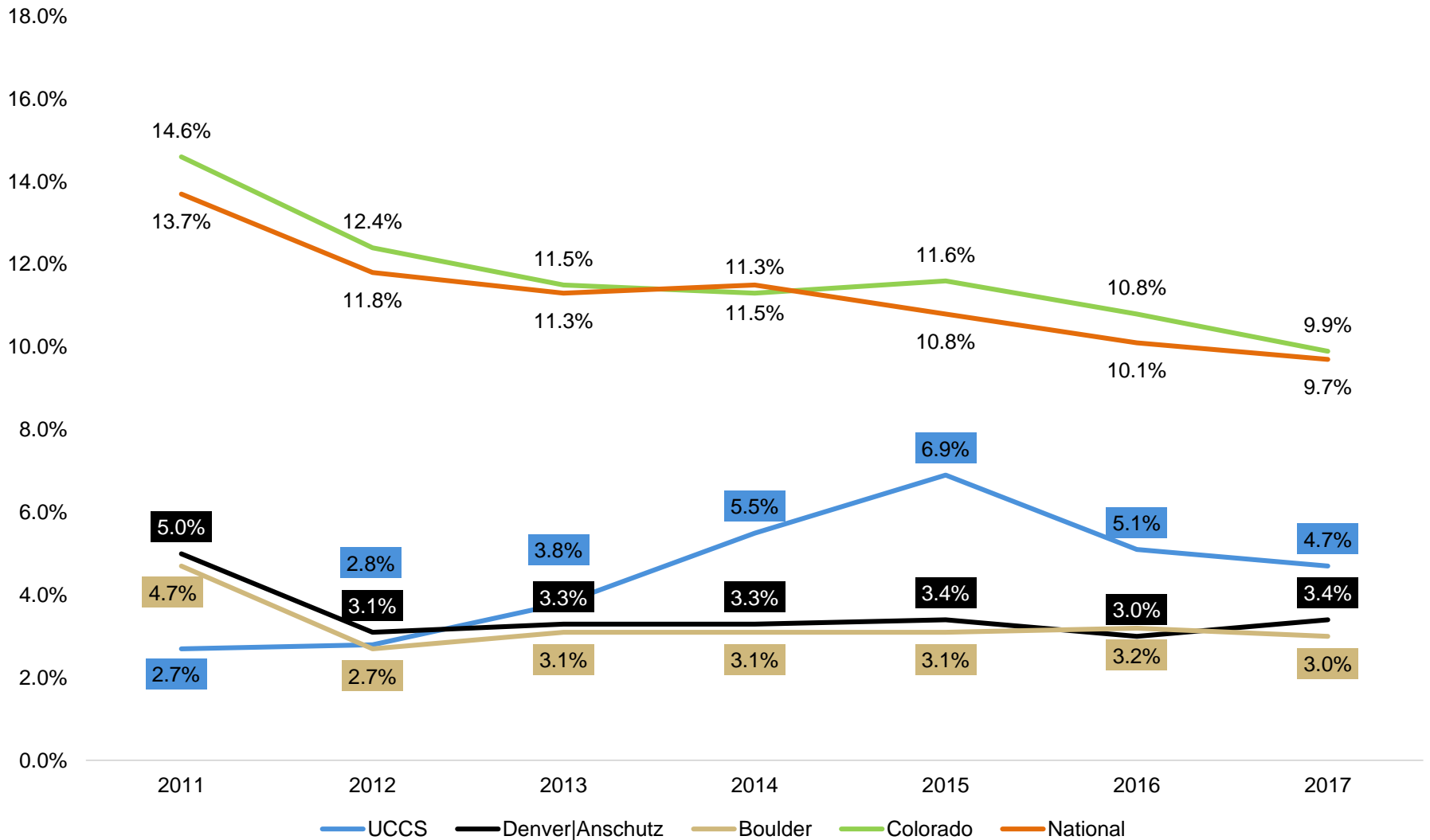


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Student Loan Default Rates



Source: U.S. Department of Education

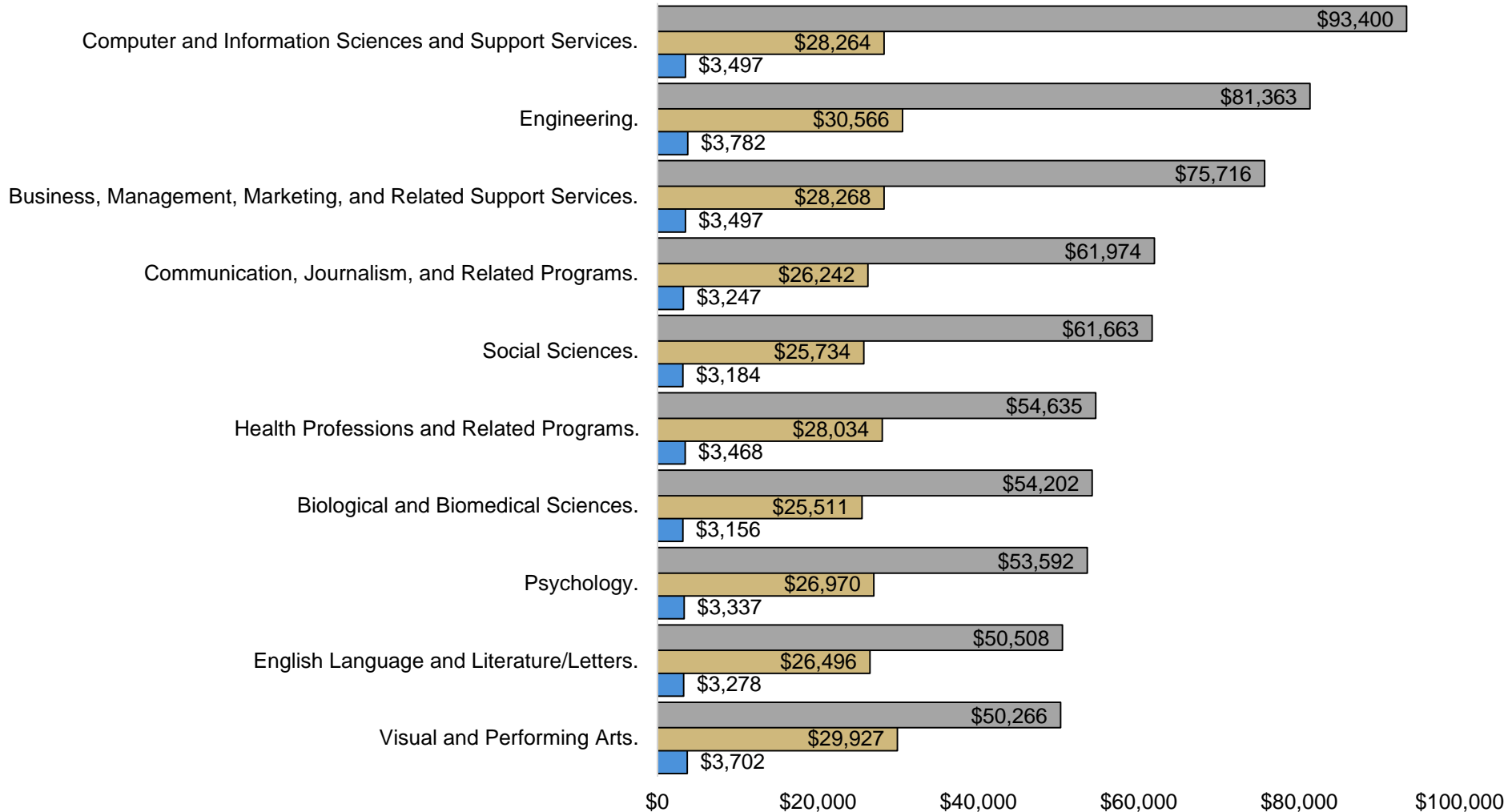


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Annual Earnings vs Annual Loan Payment (by Degree)



■ Average Annual Earnings 1 to 10 Years After Completion* ■ Average Total Loans upon Earning a Degree** ■ Estimated Annual Repayment***

Sources: Average Annual Earnings based on CU System Alumni Survey FY 2009 - FY 2018, Based on full-time employment and excludes those pursuing additional education; Annual Loan Payment based on average loan from CDHE SURDS (FY 2019) & standard 10 year repayment at 4.3%



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Earnings of College Degree Over Time

Living Expenses

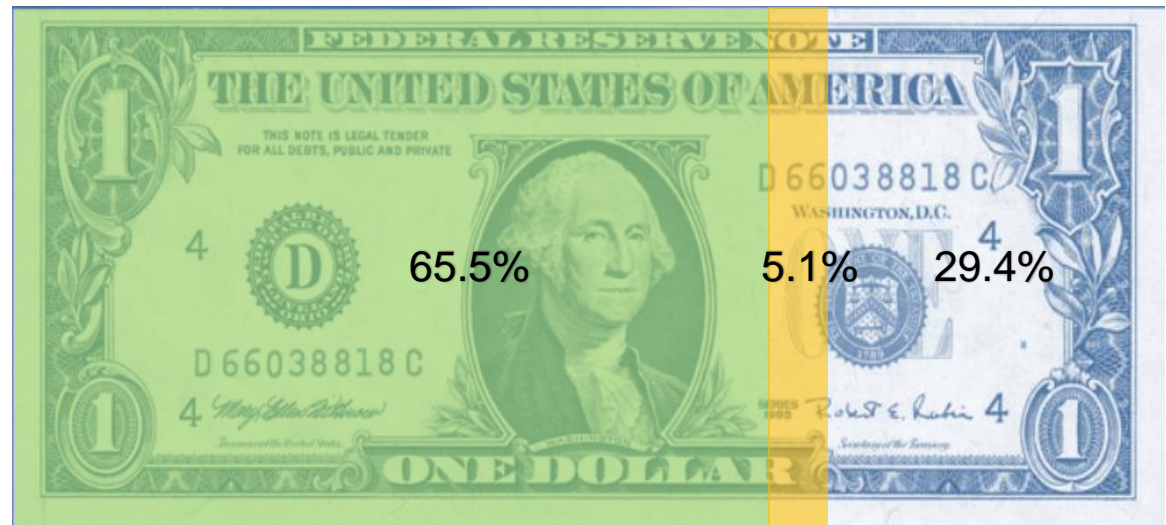
Student Loan Payment

Other

Under 25 Years of Age



25-34 Years of Age



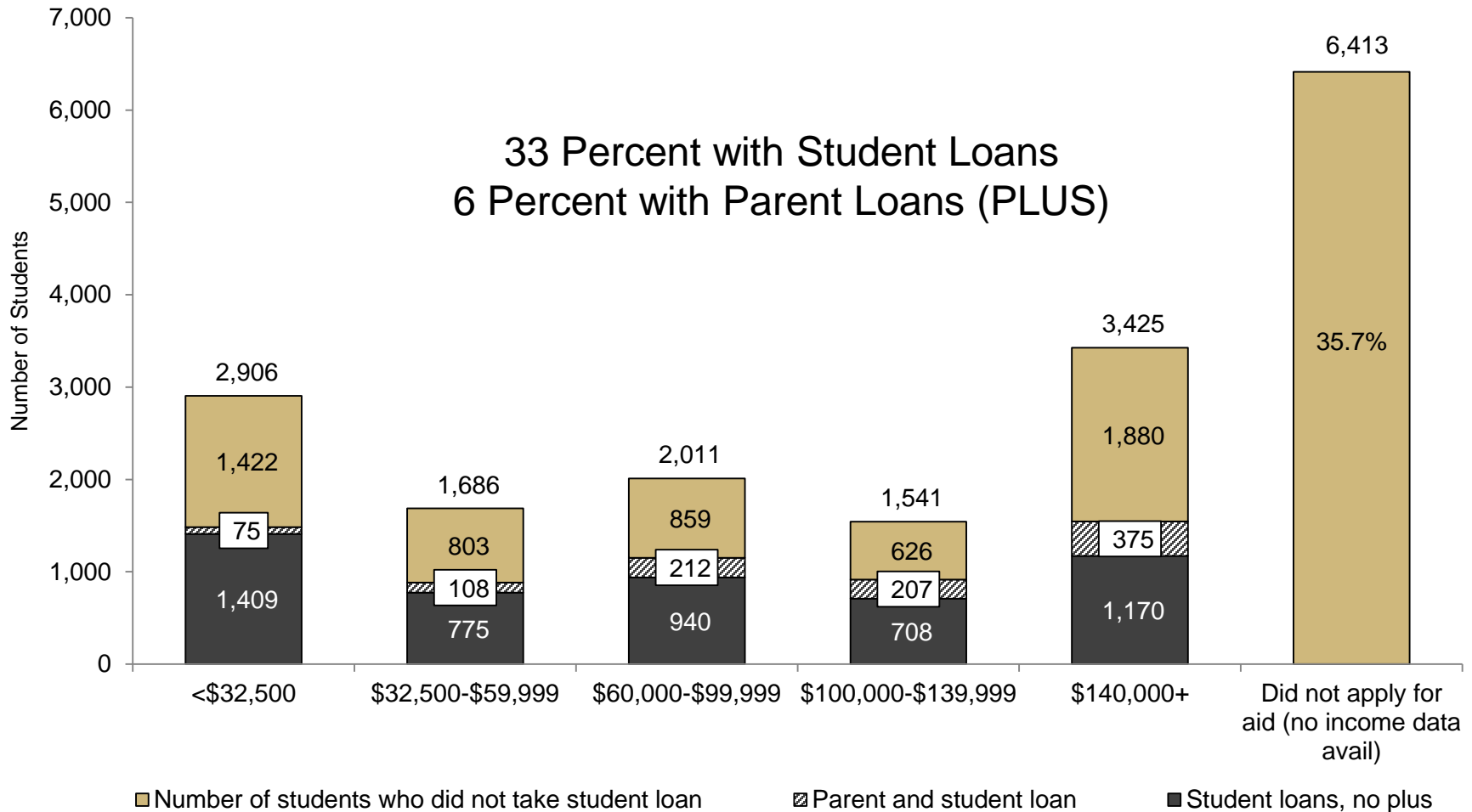
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Source: Consumer spending data, midyear tables, www.bls.gov July 2018 - June 2019

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CU Boulder Resident Undergraduates, FY 2020



Source: CU Financial Aid; Does not include private loans; Excludes exclusive parent loans; Number of students not applying for aid based on fall headcount compared to fiscal year financial aid.

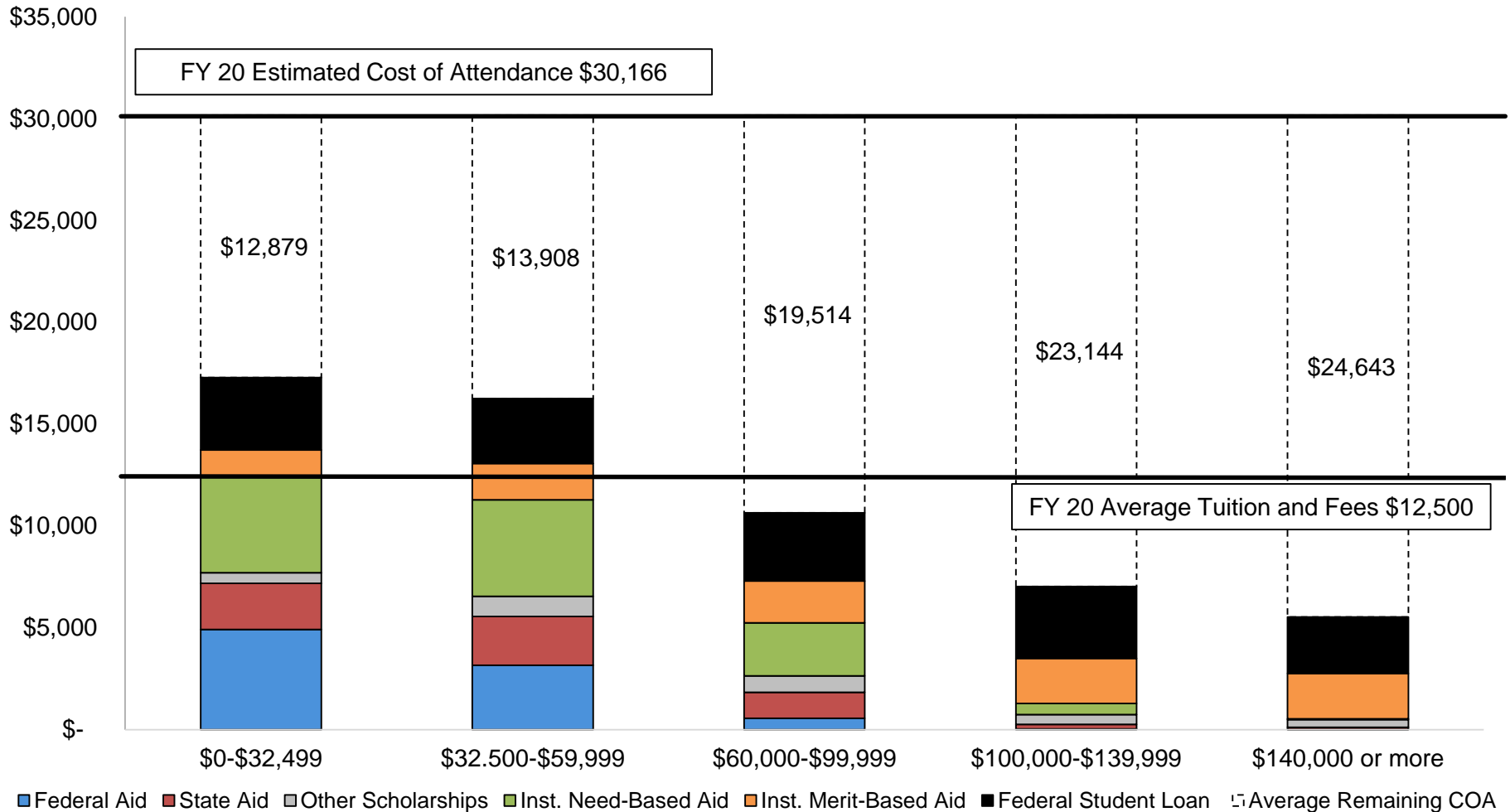


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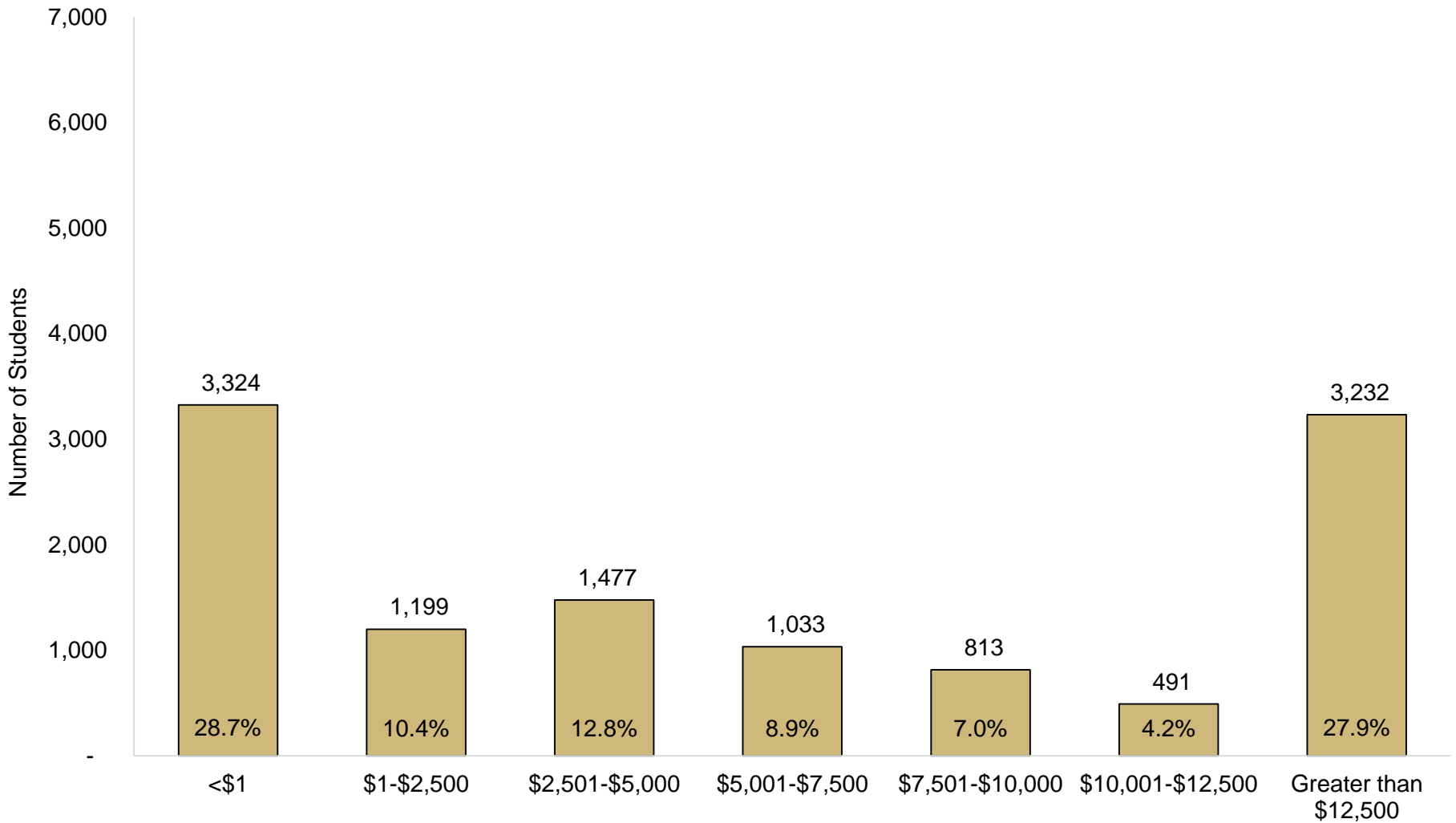
CU Boulder Resident Undergraduate Average Financial Assistance, FY 2020 (new cohort)



Source: CU Financial Aid; Does not include private loans; Estimated Cost of Attendance is the average Nine Month Cost of Attendance for selected population. Average tuition applies to incoming cohort only.



CU Boulder Award Distribution by Amount, FY 2020



Source: CU Financial Aid; Resident, undergraduate students, with FAFSA on file. Includes all grants, scholarships and work-study awards. Excludes loans.

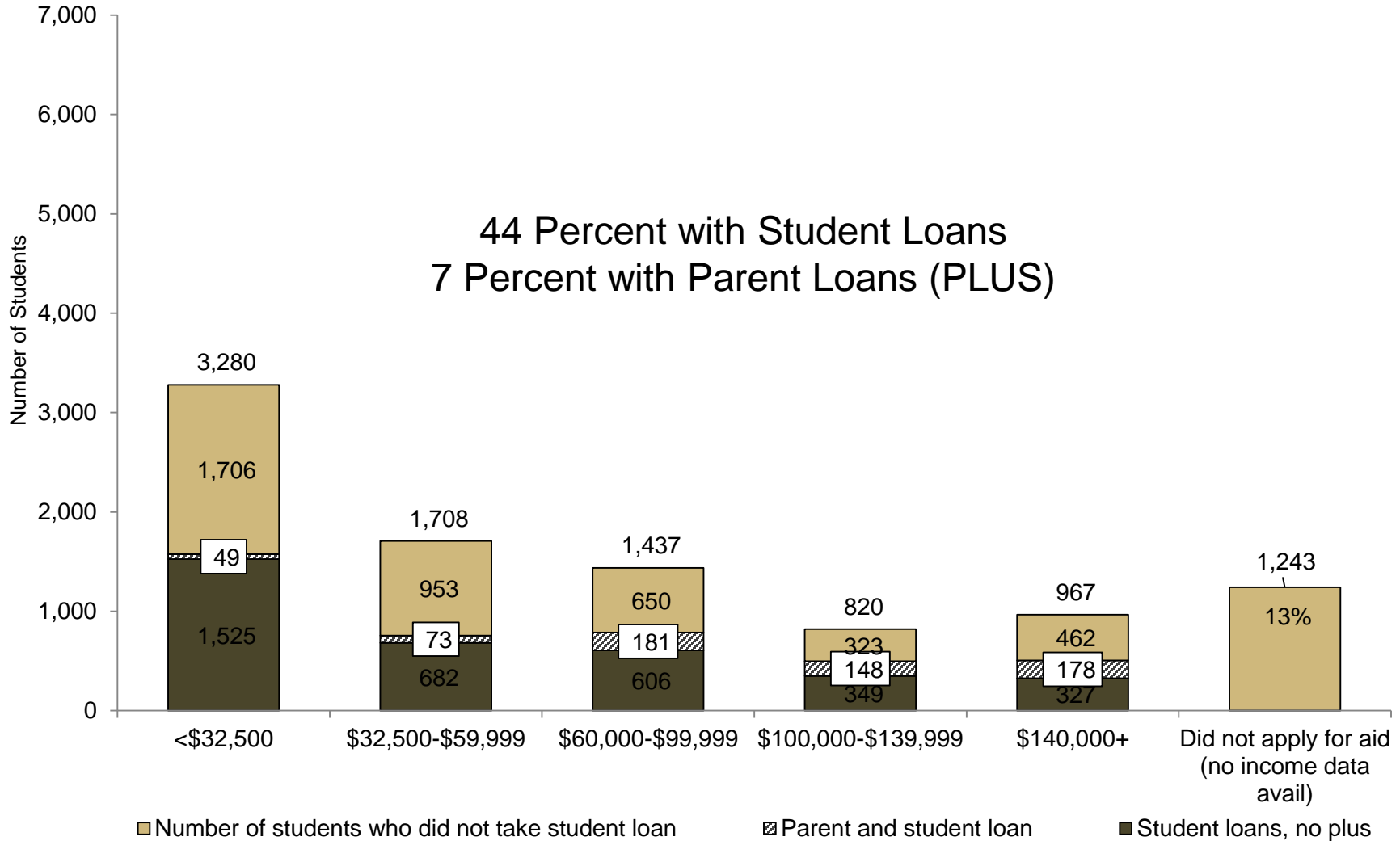


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CU Denver Resident Undergraduates, FY 2020



Source: CU Financial Aid; Does not include private loans; Excludes exclusive parent loans; Number of students not applying for aid based on fall headcount compared to fiscal year financial aid

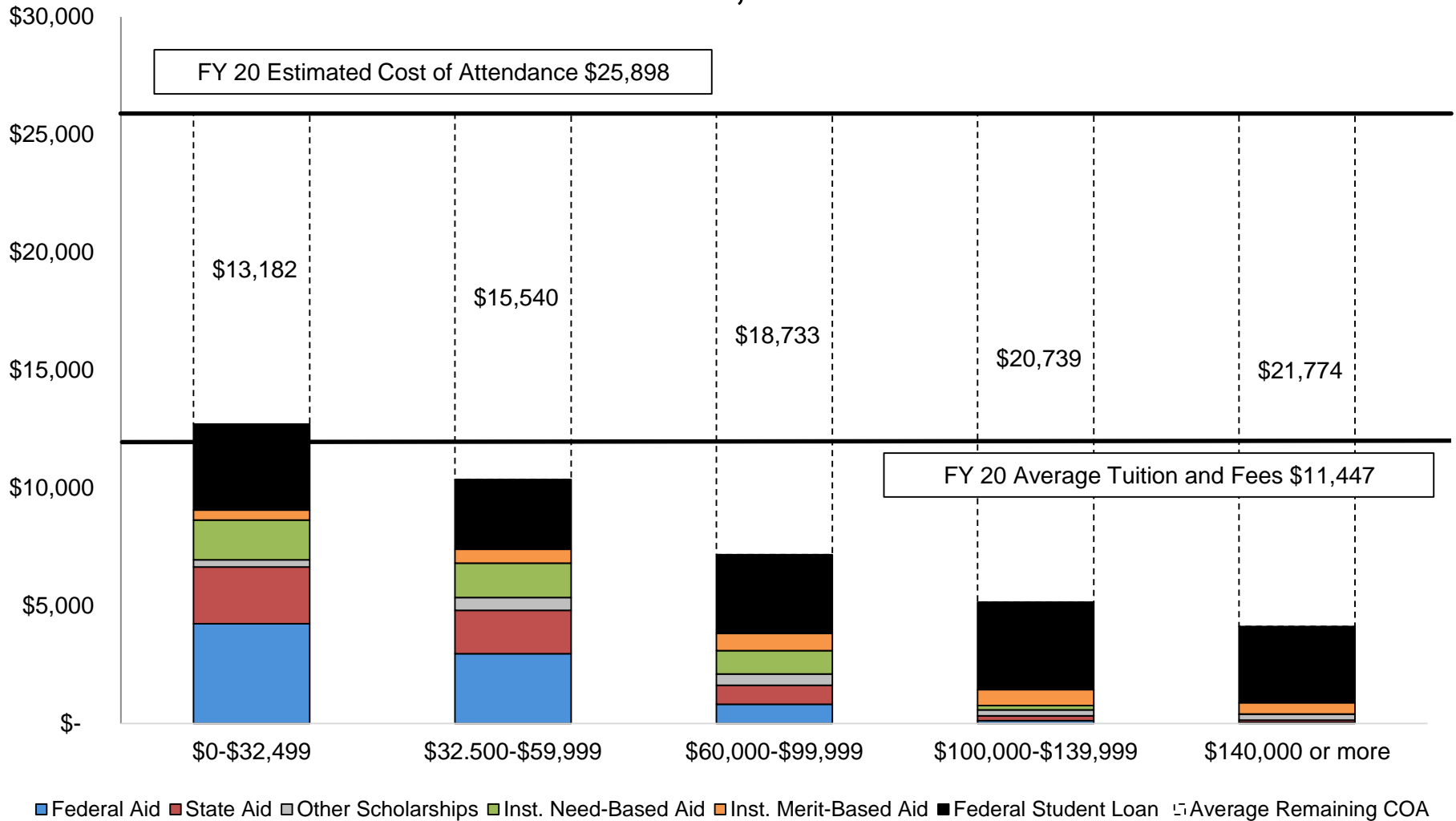


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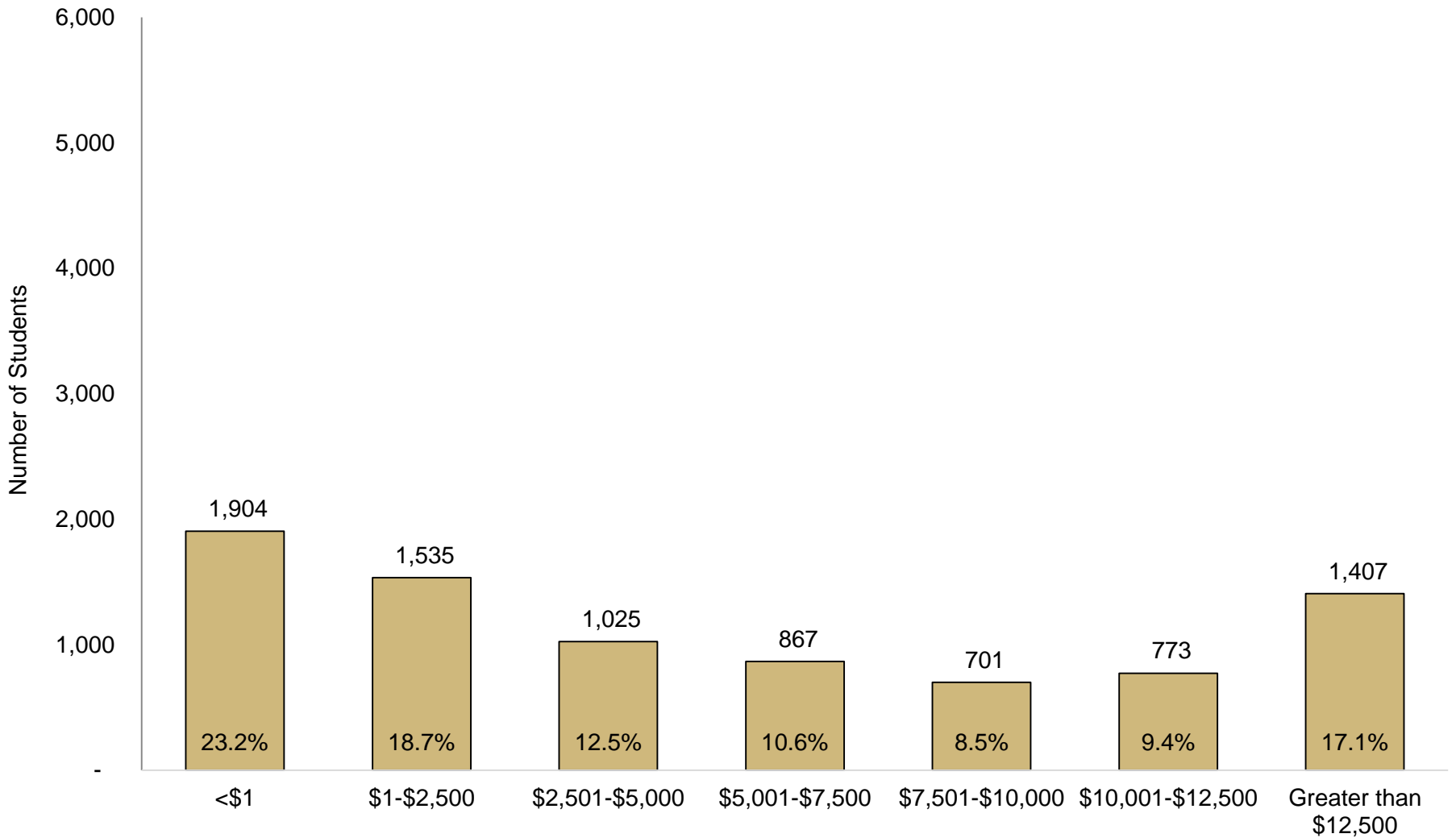
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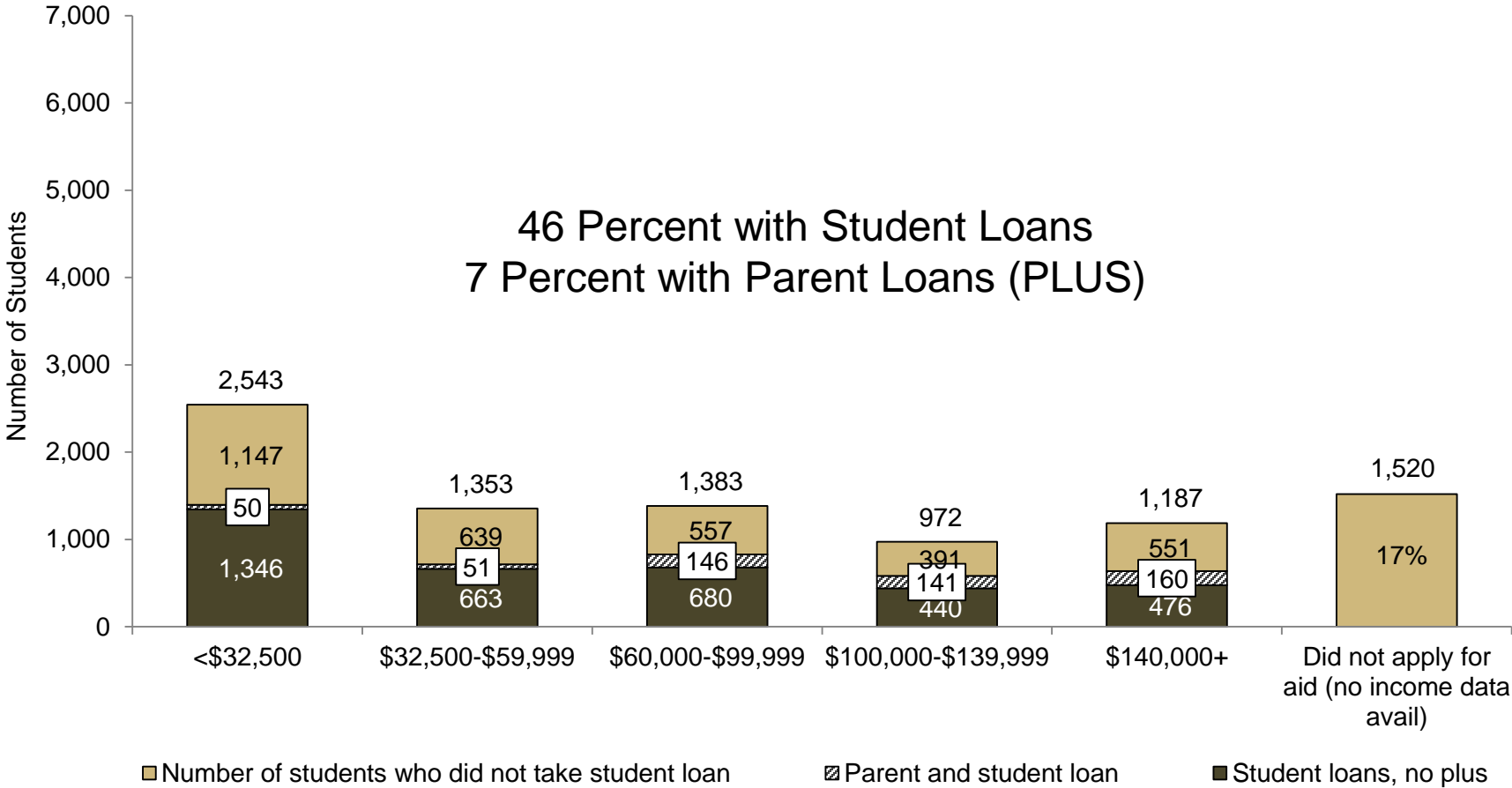


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UCCS Resident Undergraduate Financial Aid Applicants, FY 2020



Source: CU Financial Aid; Does not include private loans; Excludes exclusive parent loans; Number of students not applying for aid based on fall headcount compared to fiscal year financial aid

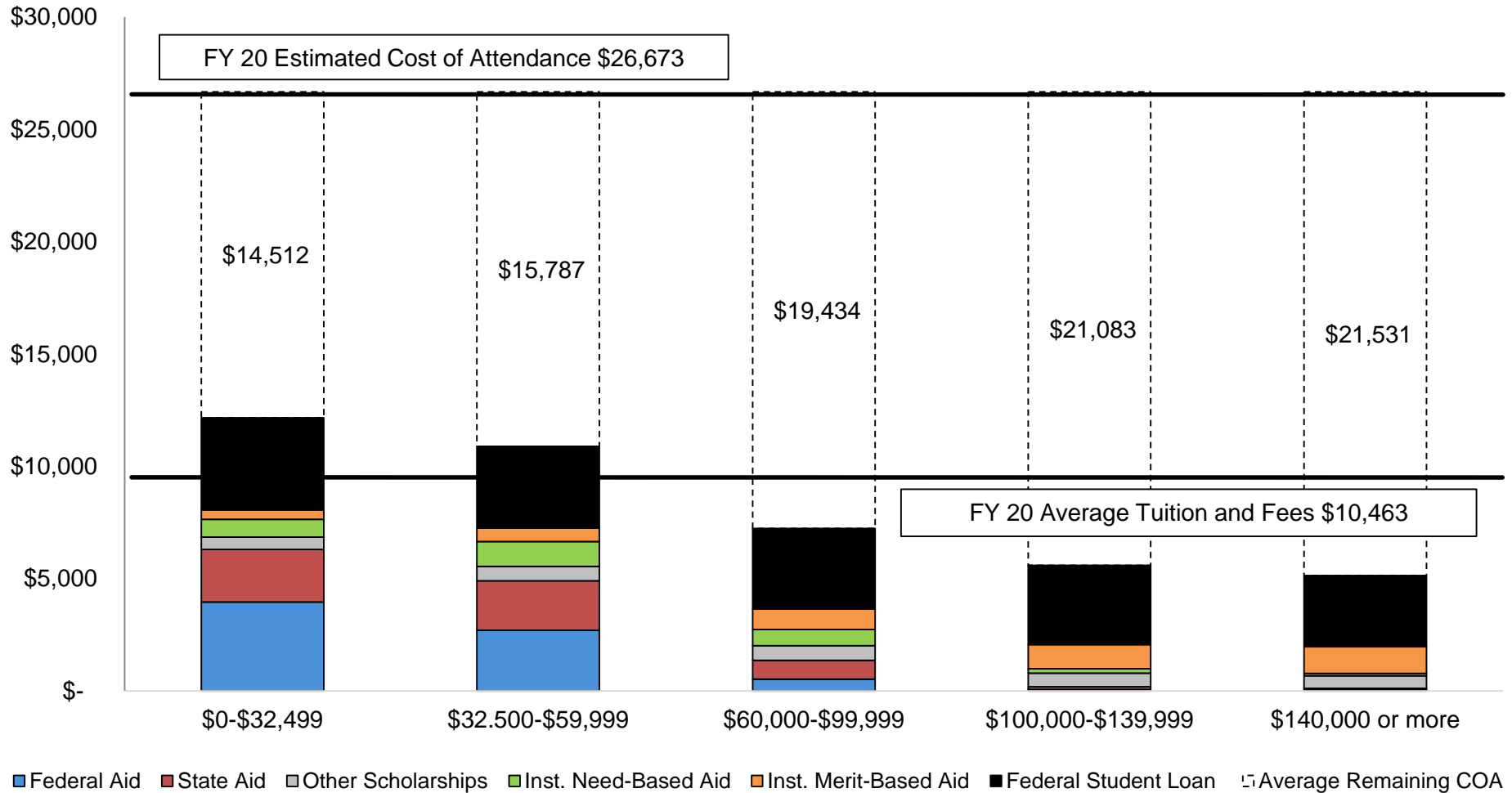


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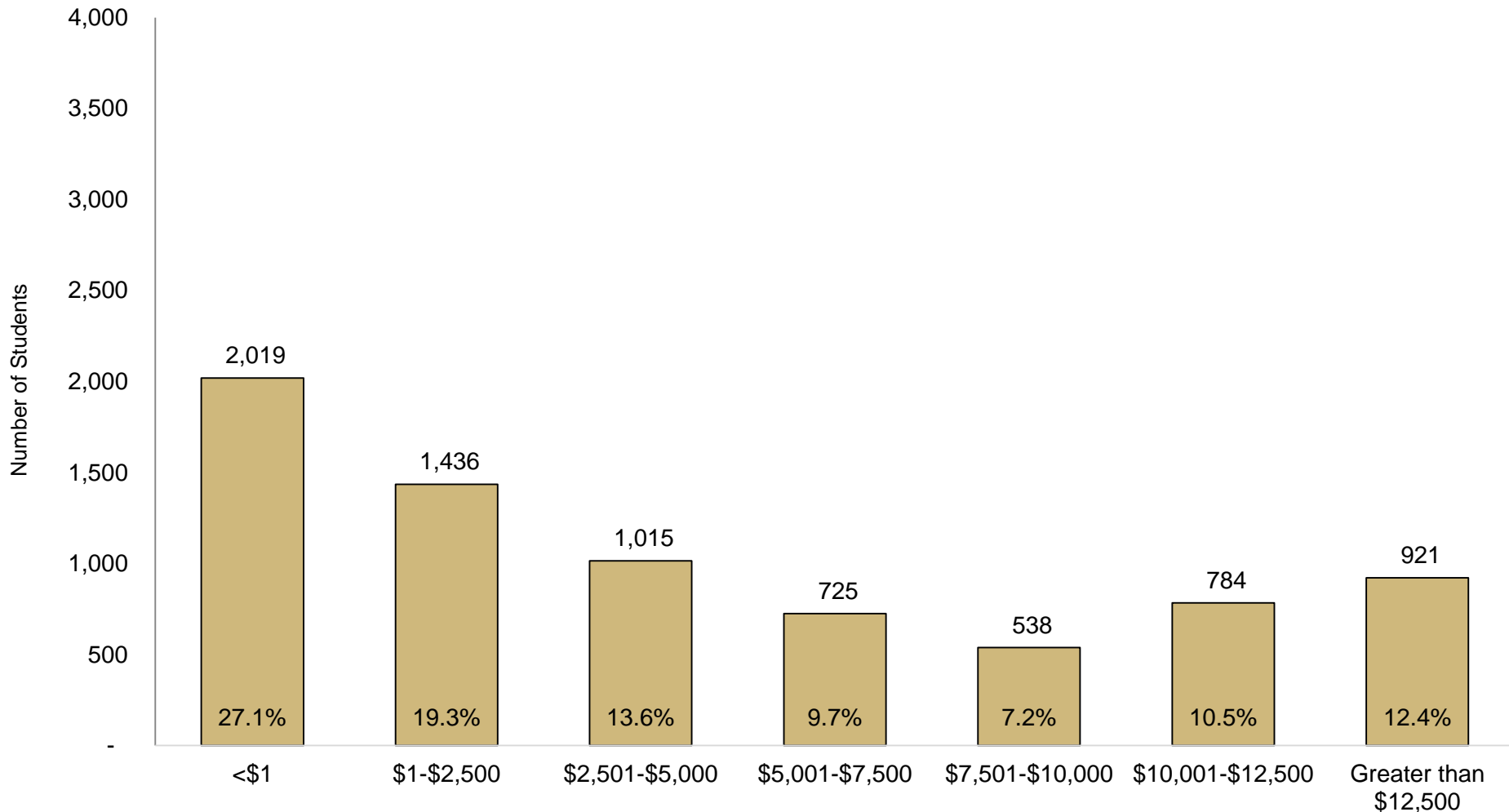
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UCCS Resident Undergraduate Average Financial Assistance, FY 2020



Source: CU Financial Aid; Does not include private loans; Estimated Cost of Attendance is the average Nine Month Cost of Attendance for selected population.

UCCS Award Distribution by Amount, FY 2020 (before loans)



Source: CU Financial Aid; Resident, undergraduate students, with FAFSA on file. Includes all grants, scholarships and work-study awards. Excludes loans.

Closing the Cost Gap

Ways to Reduce Cost

- Apply for scholarships
- Boost credit load (more than 12 per term or summer school)
- Transfer credit (high school concurrent, competency testing, other college)
- Live with family or with multiple roommates
- Cut back on personal expenses (use alternative transport)
- Remain on parents' health insurance plan
- Meet with advisors to track degree progress



Closing the Cost Gap

- Part-time work
- College savings plans
- Parent or private loans
- Credit cards



Conclusions

- Out-of-pocket tuition and fee increases were mitigated for many low and middle income students.
- Of all resident, undergraduate students system-wide:
 - 39% took federal student loans in FY 2020.
 - 7% had parent loans in FY 2020.
- On average, CU students have a loan default rate of 3.6%, which is approximately six percentage points lower than the national and statewide average.



Additional Information

For more information about affordability and student financial aid, including:

- Tuition and Fees
- Institutional Aid
- Student loans
- Out of Pocket Costs
- Average Cost of Attendance
- Alumni Earnings
- Links to other resources

Visit our website at: <https://www.cu.edu/affordability>



Appendix

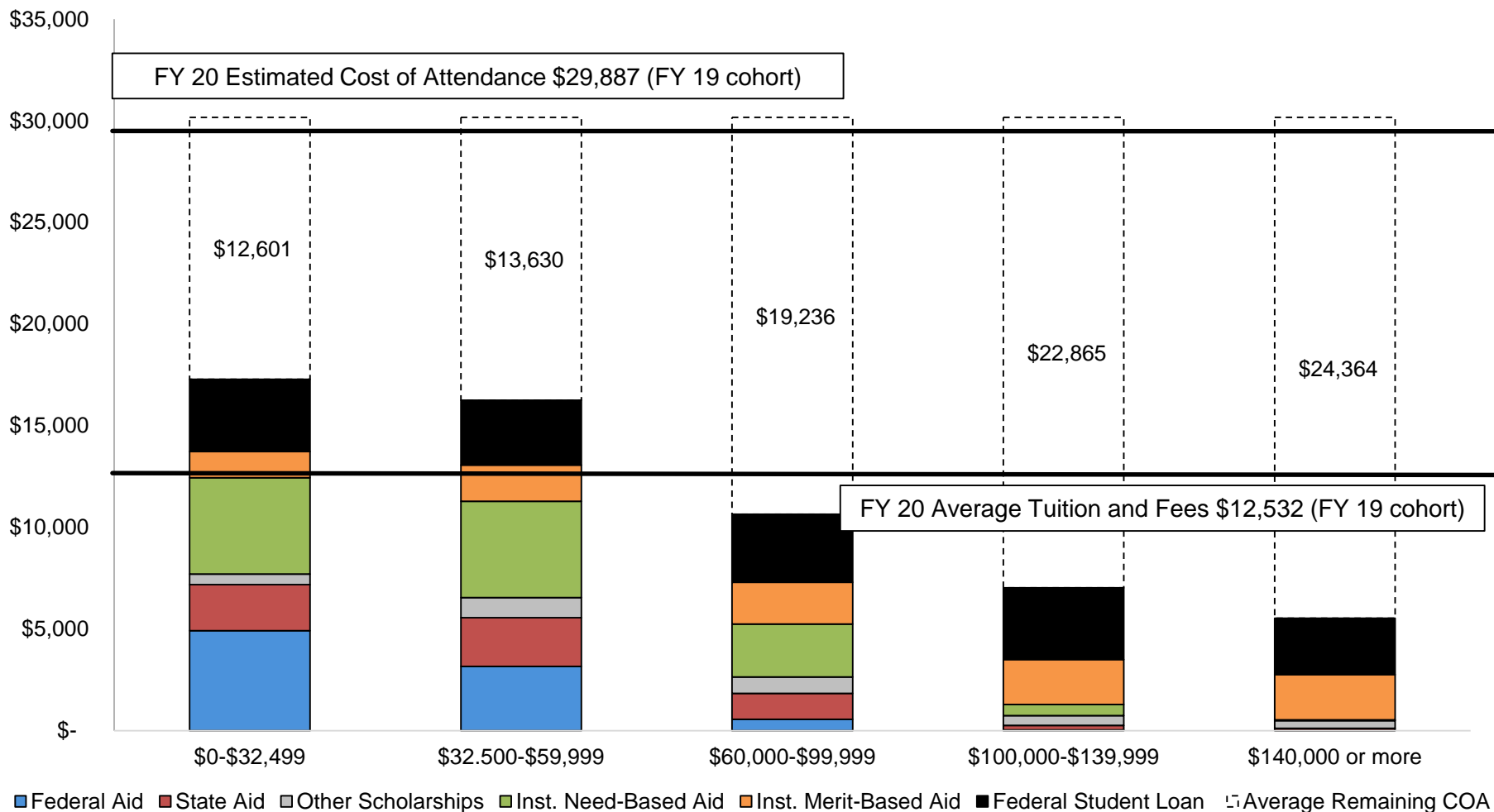
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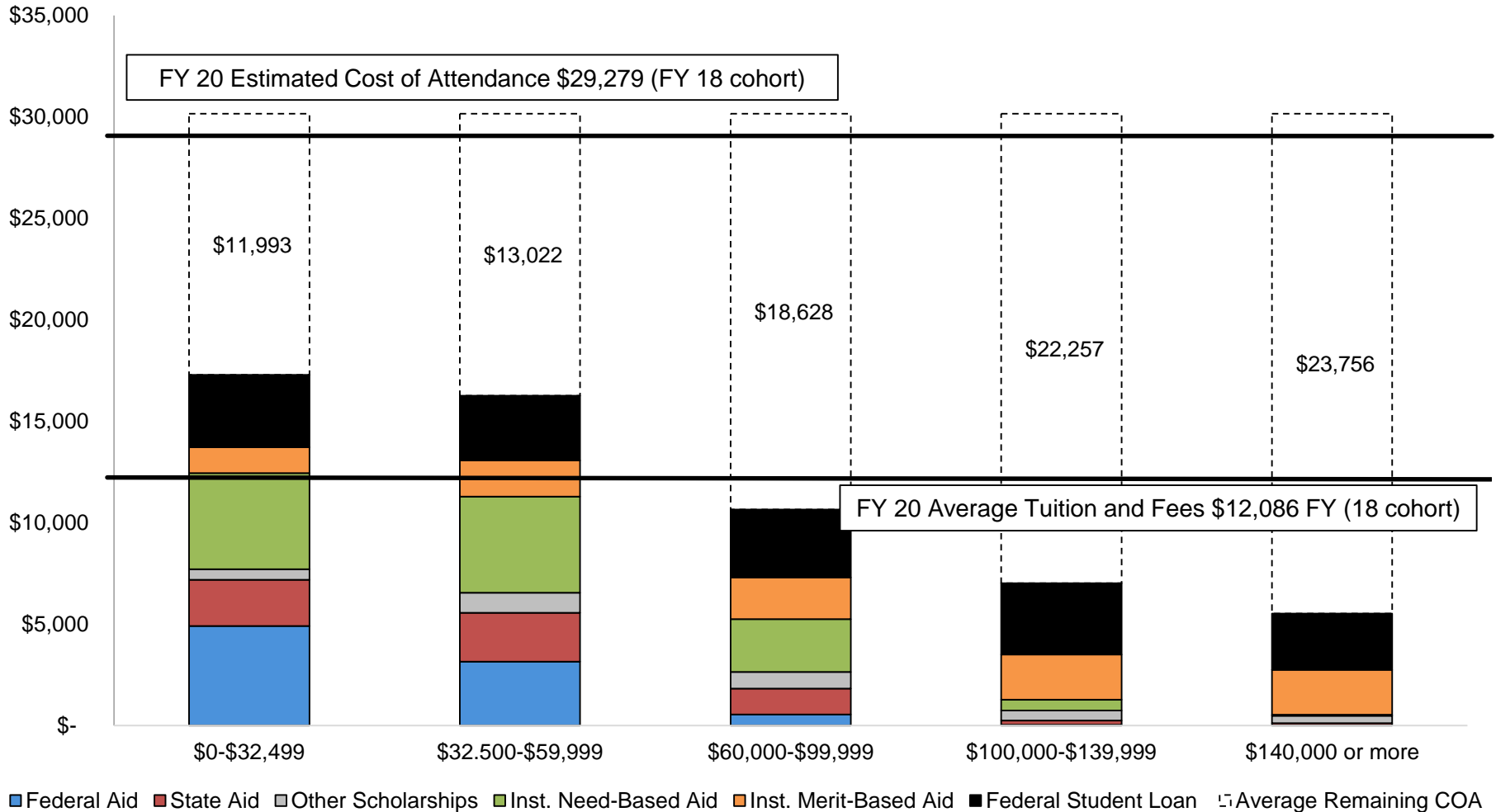
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CU Boulder Resident Undergraduate Average Financial Assistance, 2019 cohort



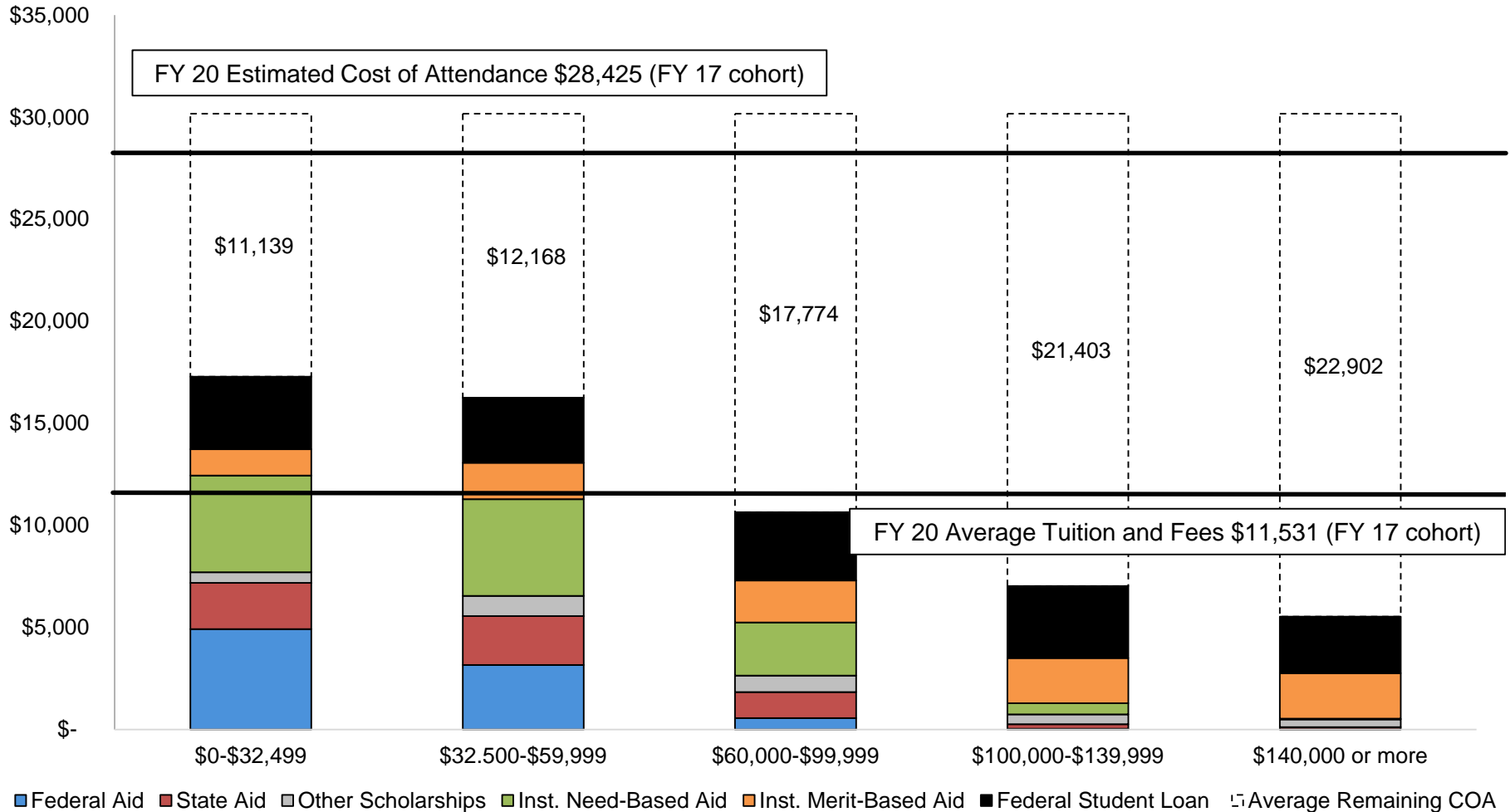
Source: CU Financial Aid; Does not include private loans; Estimated Cost of Attendance is the average Nine Month Cost of Attendance for selected population. Average tuition applies to incoming cohort only.

CU Boulder Resident Undergraduate Average Financial Assistance, 2018 cohort



Source: CU Financial Aid; Does not include private loans; Estimated Cost of Attendance is the average Nine Month Cost of Attendance for selected population. Average tuition applies to incoming cohort only.

CU Boulder Resident Undergraduate Average Financial Assistance, 2017 cohort



Source: CU Financial Aid; Does not include private loans; Estimated Cost of Attendance is the average Nine Month Cost of Attendance for selected population.