

Student Aid and Debt Presentation

January 26, 2024



National Student Loan Debt

\$1.6 Trillion

Includes all outstanding balances for federal loans processed through financial aid, plus accrued interest.

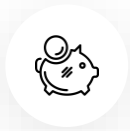


50% of outstanding student loan debt is from graduate students.



only **8%** of outstanding debt comes from private loans.

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.**



Default rates are much lower for those who earn credentials



Non-completers are more likely to default on student loans than completers.

Pandemic Related Changes

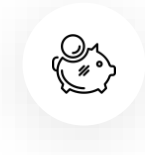
- Repayments paused
- Forgiveness
- 12 month on-ramp



Between March 2020 and October 2023, federal student loan repayments paused due to COVID-19.



12-month on-ramp for repayment, where no debt holders will be turned into collections, however interest will accrue.



Since October 2021

\$132 billion

Loan forgiveness granted nationally:

- Severe Disabilities
- Public Service Loan Forgiveness*
- Income Driven Repayment plans*



\$1.87 billion

*Loan forgiveness in Colorado



SAVE Program

- New in 2023, the U.S. Department of Education introduced a repayment plan: **Saving on a Valuable Education (SAVE)**.
- The SAVE Plan changes include the following:
 - Increasing discretionary income threshold from 150 to 225 percent above poverty level.
 - Forgiveness in 20 years for undergraduate degrees or 25 years for graduate/professional degrees.
 - For a person with an annual household income less than \$32,805 have a \$0 monthly payment due (up from \$21,870).
 - Government will cover interest accrued above minimum payment.



SAVE Program (cont.)

Additional provisions of the SAVE plan will be implemented in July 2024 that will lower payments even more for borrowers with undergraduate loans.

- Balances of \$12,000 or less will be forgiven after 10 years of repayment
- For balances above \$12,000, an additional year of repayment is required for every \$1,000 for 20-25 years (depends on degree type).
- Discretionary income share drops from 10% to 5%
- Can access forgiveness with consolidated loans
- Automatic enrollment if payment missed
- Deferment and Forbearance periods will be eligible to apply towards forgiveness.
 - Deferment credits are eligible prior to July 2024
 - Forbearances are eligible after July 2024

On average, Bachelor's degree recipients earn

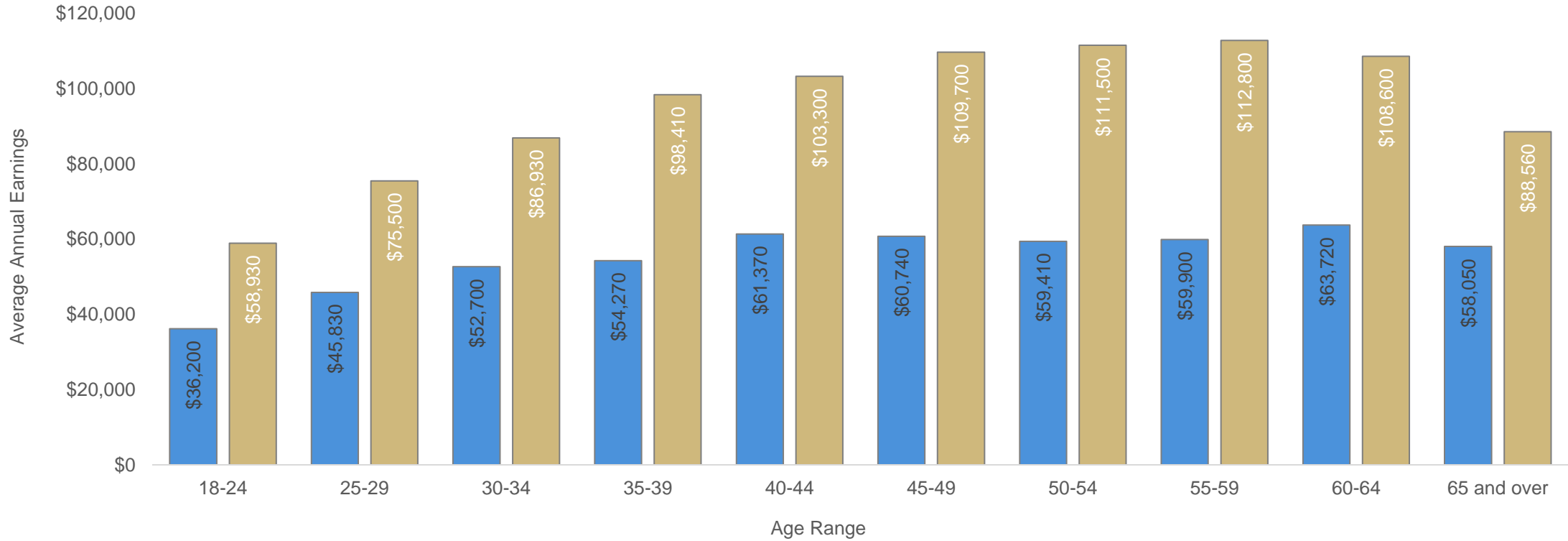
\$1.7 million more

than High School graduates over the course of their career.

Higher Average Annual Earnings



Average Annual Earnings High School vs. Bachelor's Degree



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

■ High School

■ Bachelor's Degree

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, 2022 Annual Social and Economic Supplement.

Colorado

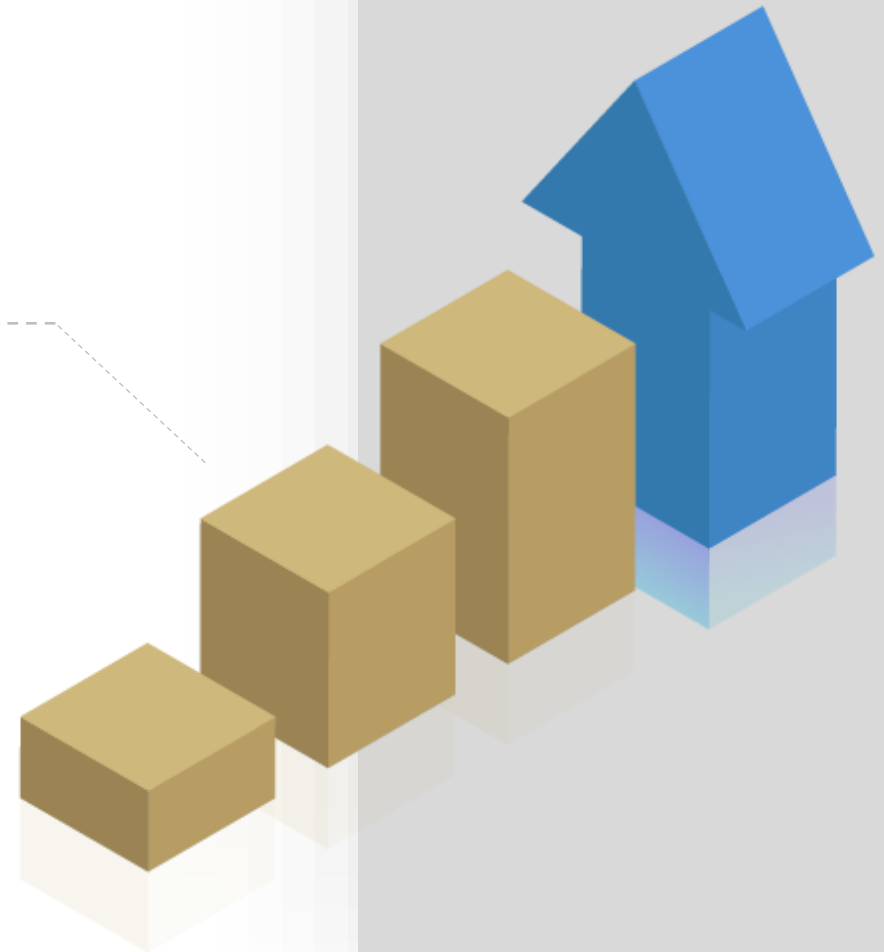


Financial Aid History by Source

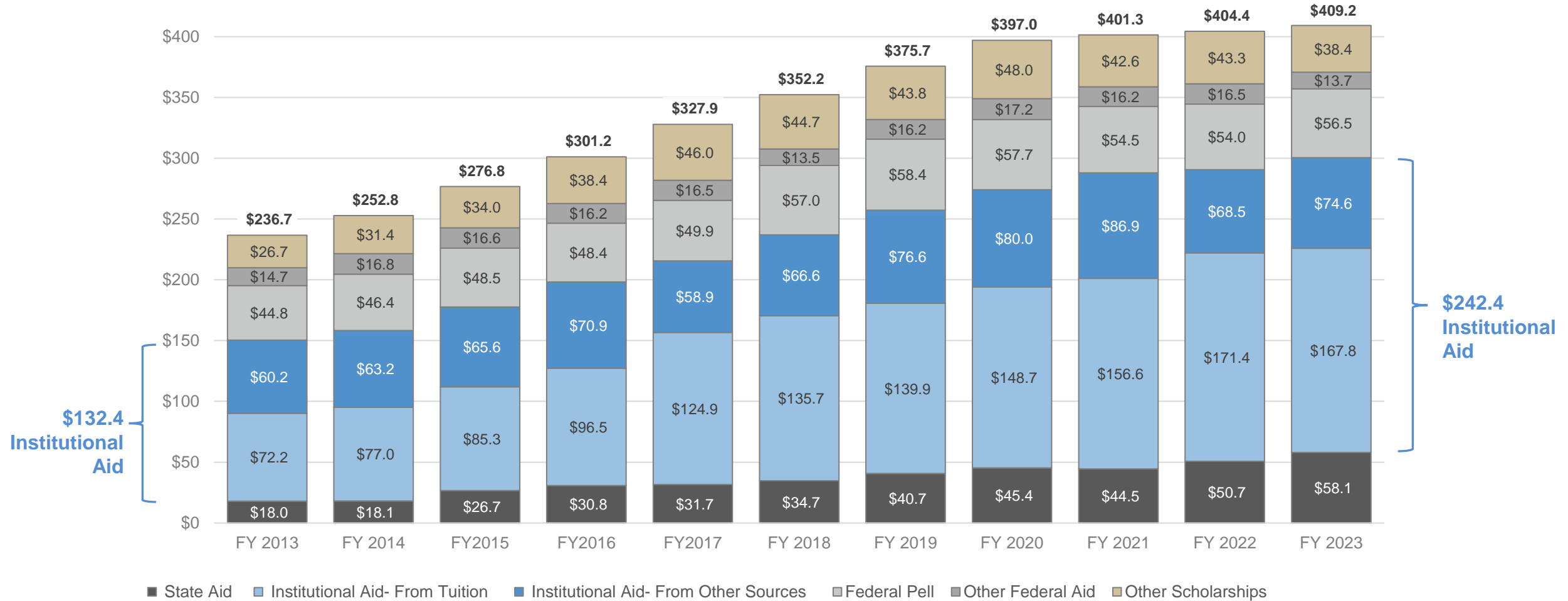
University of Colorado's institutional aid has grown by more than

83%
since 2013

From \$132.4 million in 2013 to \$242.4 million in 2023

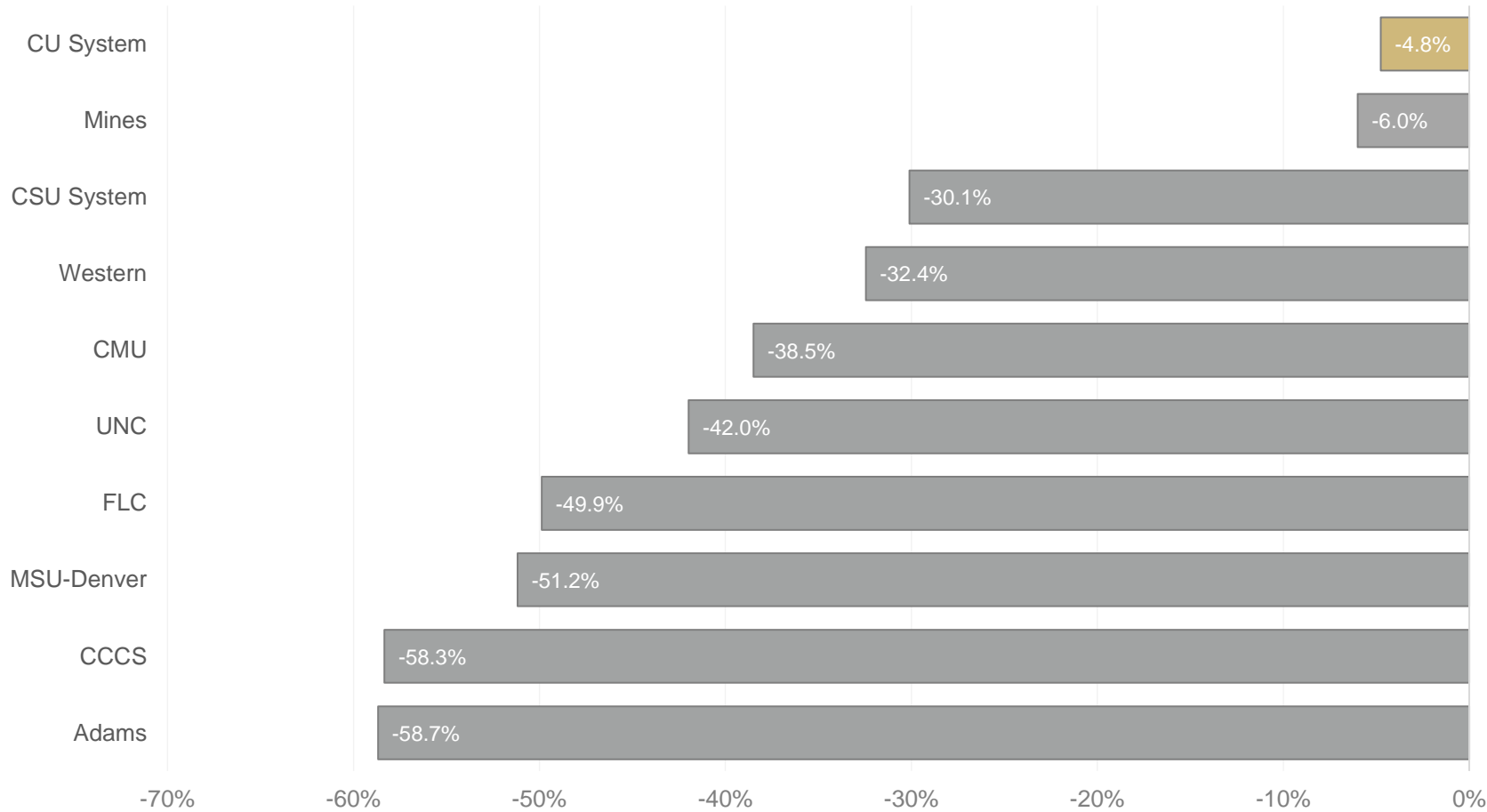


Financial Aid History by Source (in millions)



Changes to Pell Eligible Populations (FY 2012 to FY 2022)

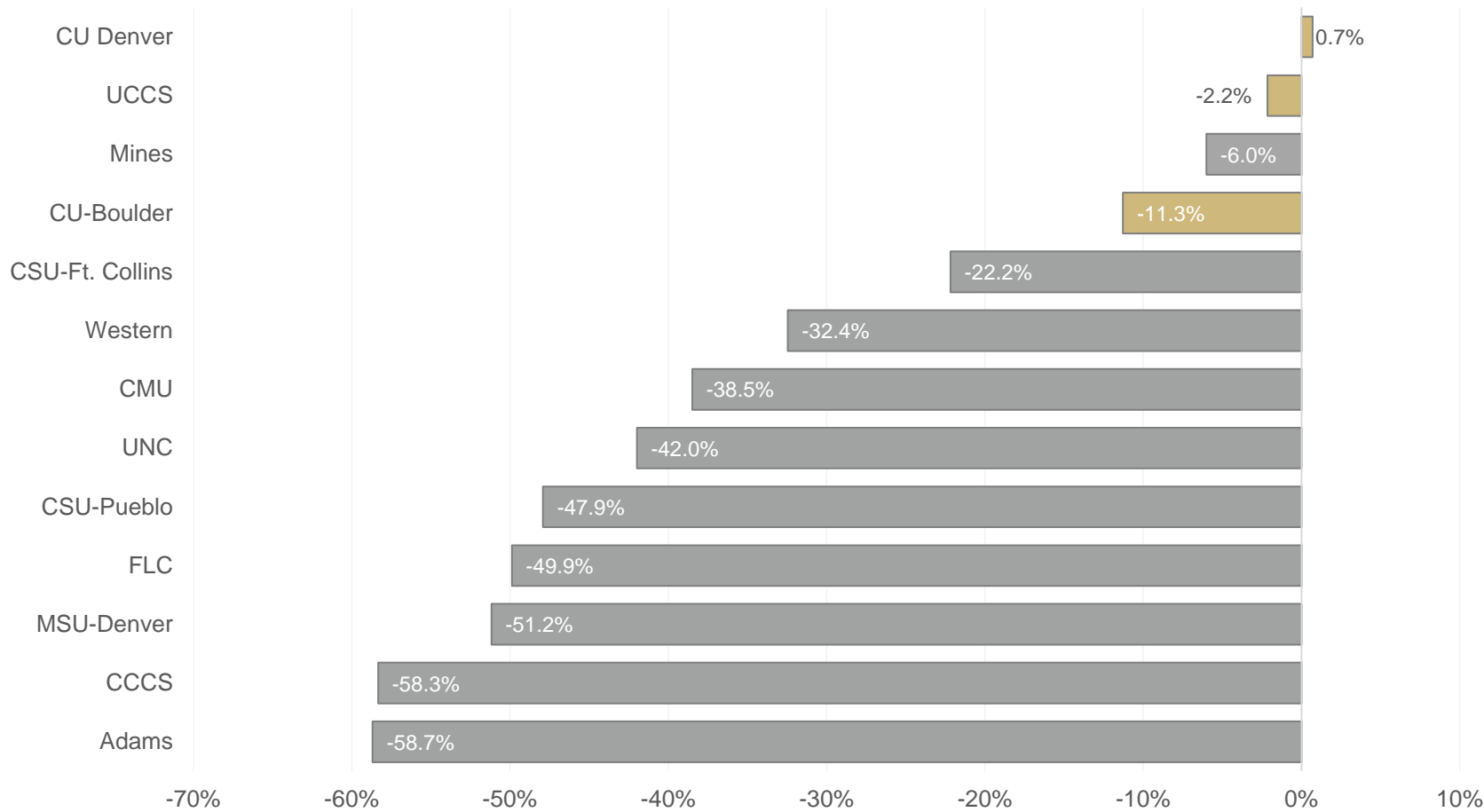
(by governing board)



↓
At a total Governing Board level, Pell eligible student populations declined between FY 2012 and FY 2022

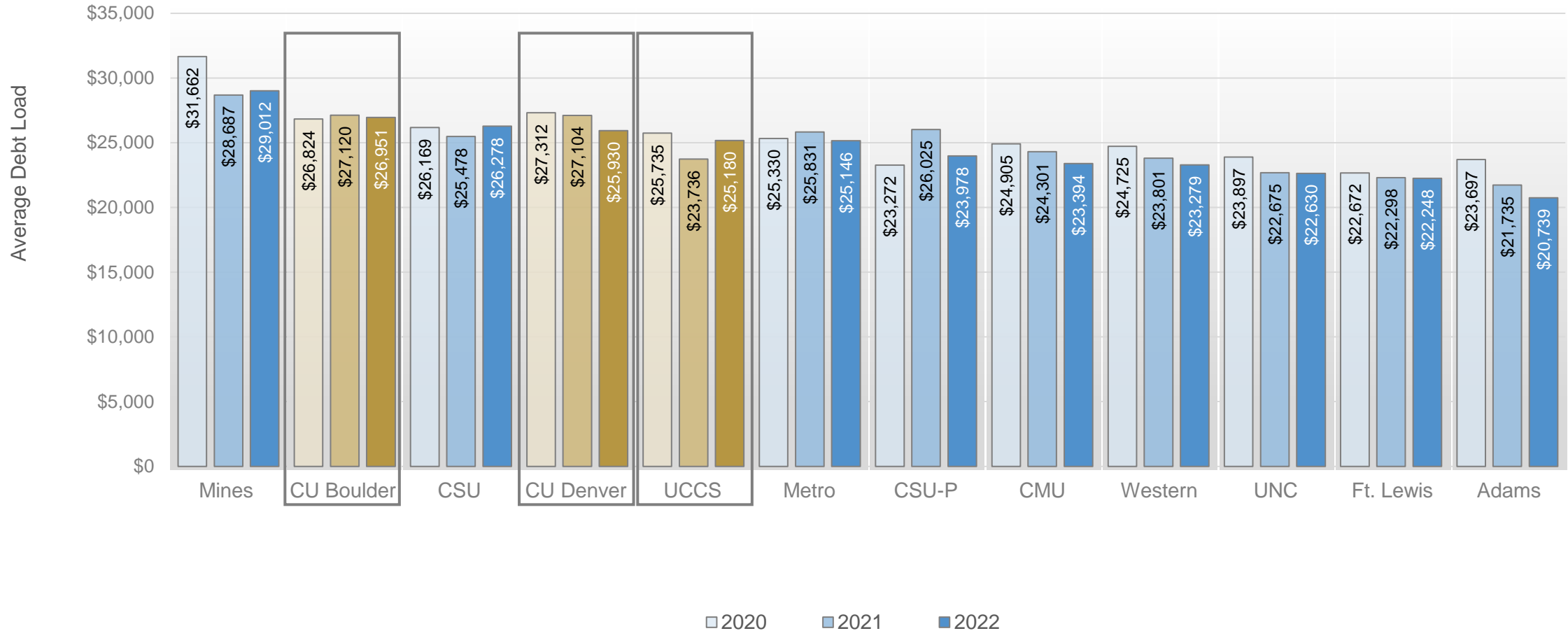
Changes to Pell Eligible Populations (FY 2012 to FY 2022)

(by institution)

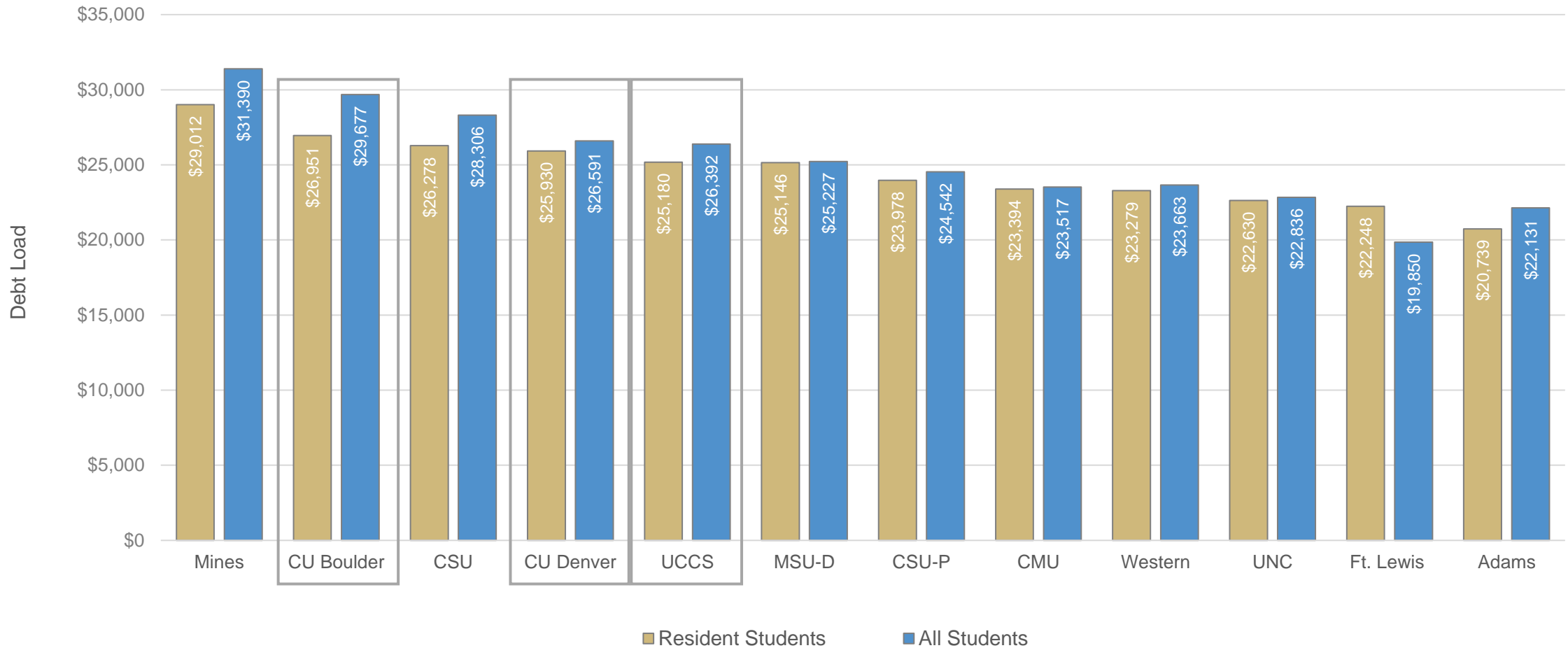



CU Denver is the only campus in Colorado with a growing Pell population between FY 2012 and FY 2022

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



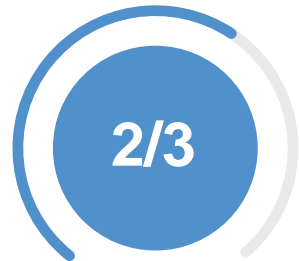
Average Undergraduate Debt Load Upon Graduation (FY 2022)



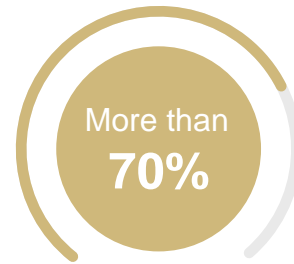
Resident Undergraduate Student Debt Takeaways



of CU graduates leave CU with no debt*



of students who graduate with debt do so with \$30,000 or less

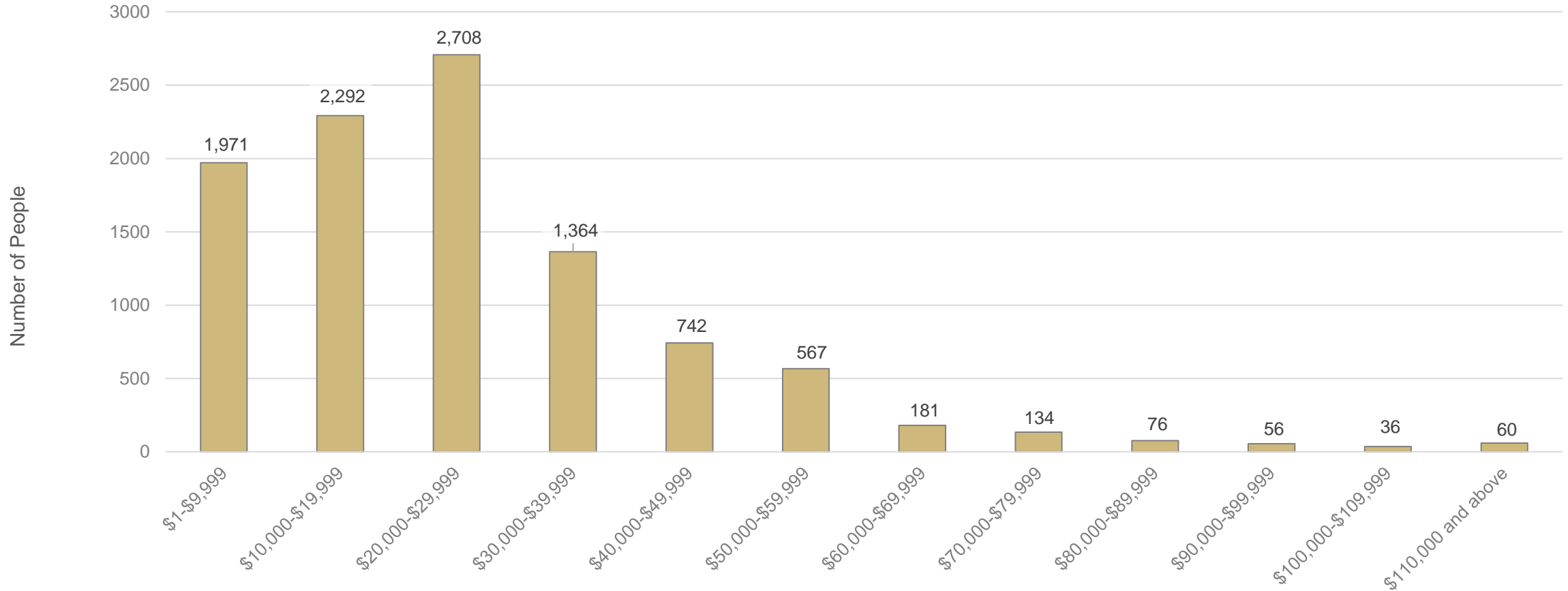


of students with a FAFSA receive some type of aid while attending CU

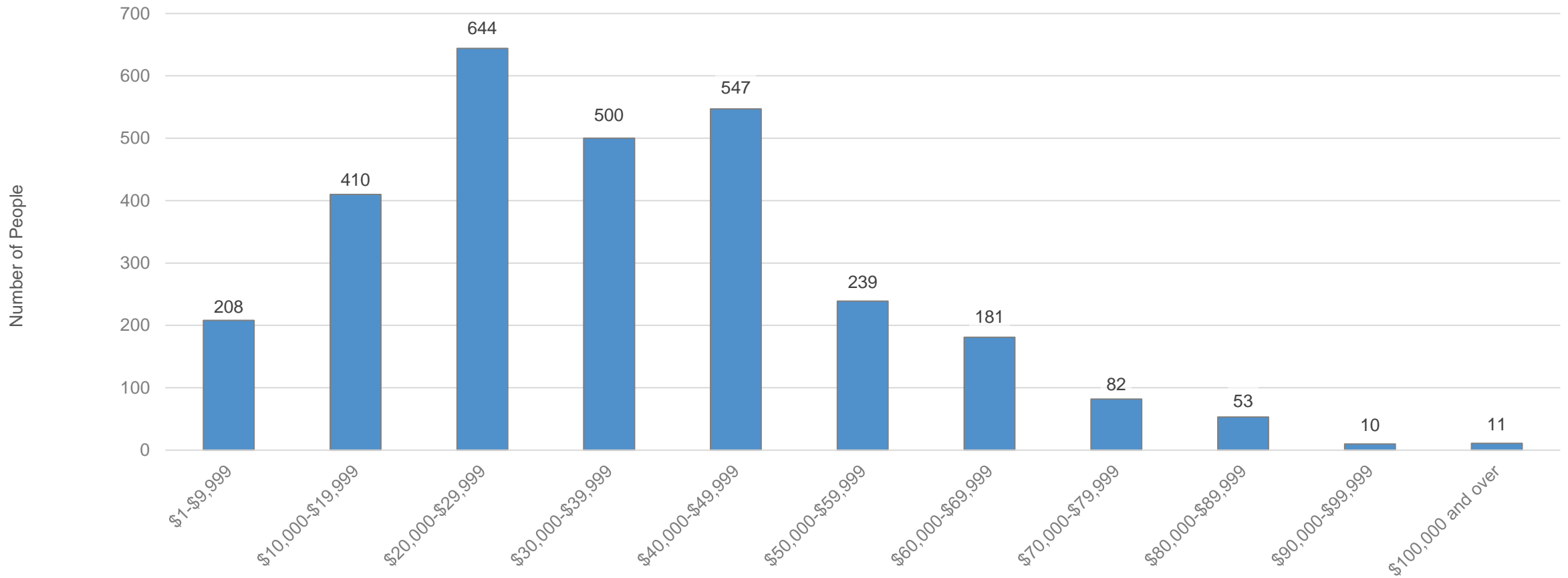


*Varies by campus.

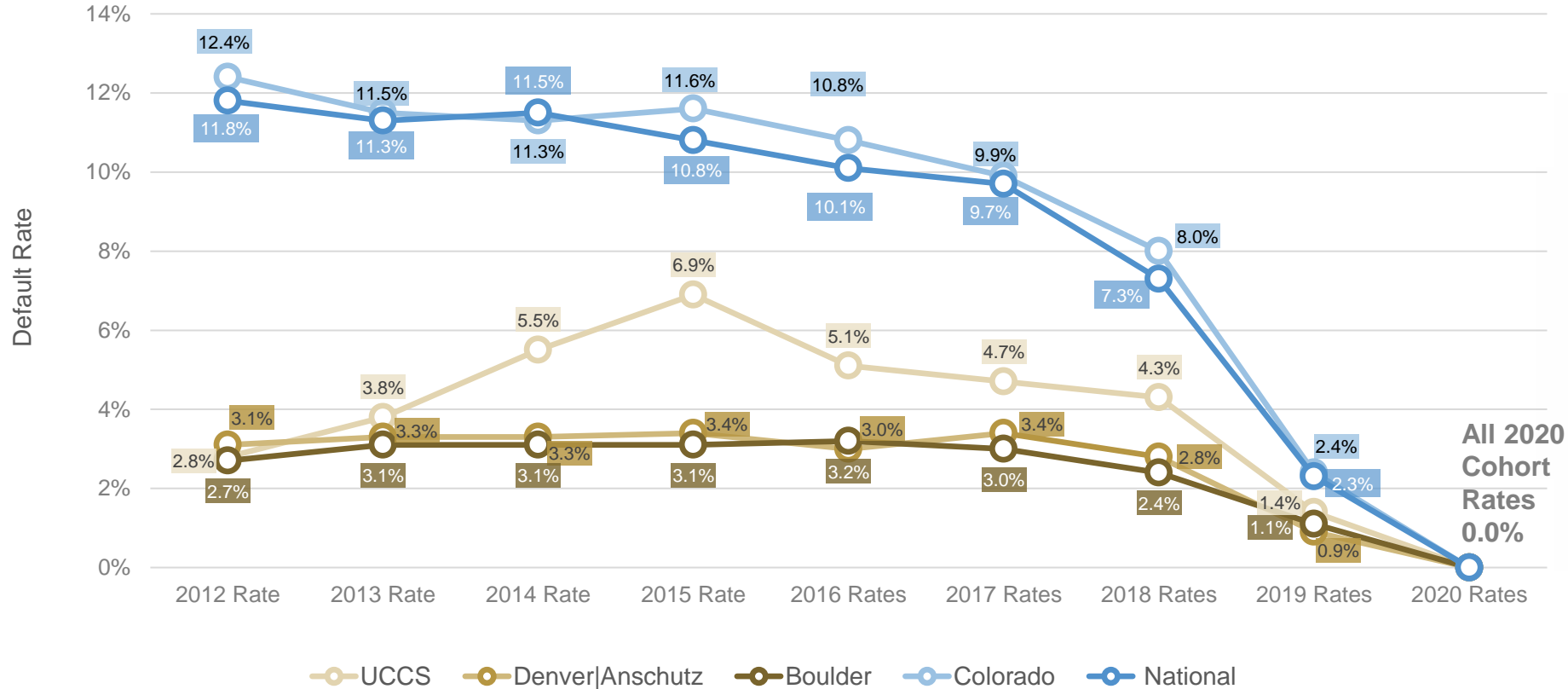
Bachelor's Degree Recipients Loan Amounts in Colorado (FY 2022)



Master's Degree Recipients Loan Amounts in Colorado (FY 2022)



Student Loan Default Rates



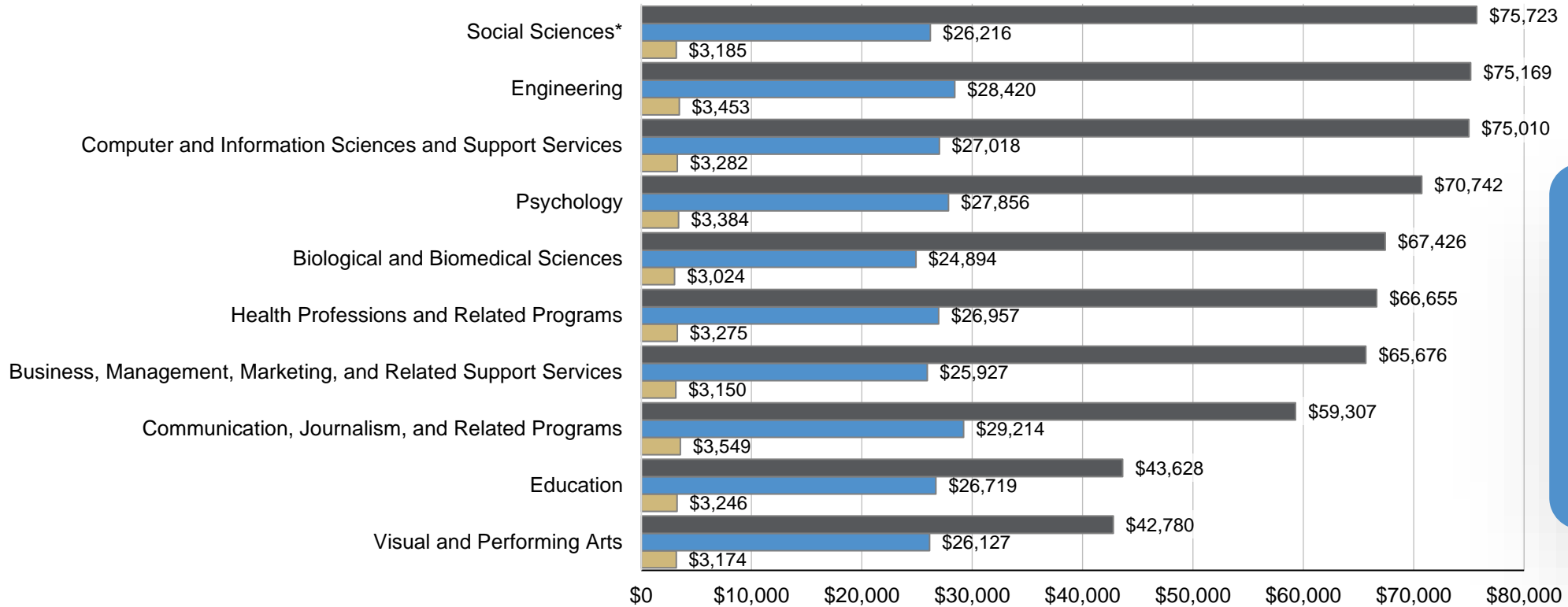
Note: In September 2023, the US Department of Education released default rates of 0.0% nationwide.

This data reflects the repayment pause that expired in October 2023.

Source: U.S. Department of Education

Under the CARES Act, federal student loan payments, collections on defaulted loans and interest accrual were suspended. Executive action has continued this benefit through September 2023. Those with student debt went into repayment in October 2023. There will be a 12-month grace period where borrowers will not be put into default.

Annual Earnings vs Annual Loan Payment (by Degree)



Annual student loan payments for CU graduates are a small share of annual earnings, regardless of degree earned.

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

*Social sciences includes Political Science, Economics, Sociology, Anthropology, Geography

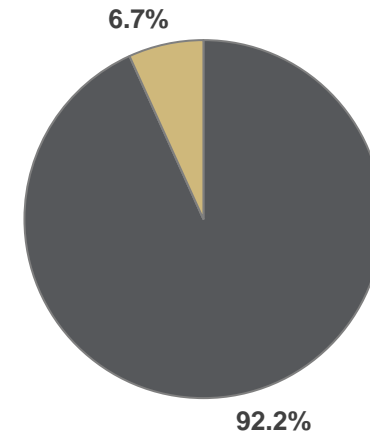
**Average Estimated Annual Earnings based on EMSI analysis for CU System Alum from FY 2011 - FY 2021, Based on full-time employment in field of study and excludes those pursuing additional education

*** Annual Loan Payment based on average loan from CDHE SURDS (FY 2022) & estimated standard 10-year repayment at 4.0%

Impact of student loan on household budgets decreases over time

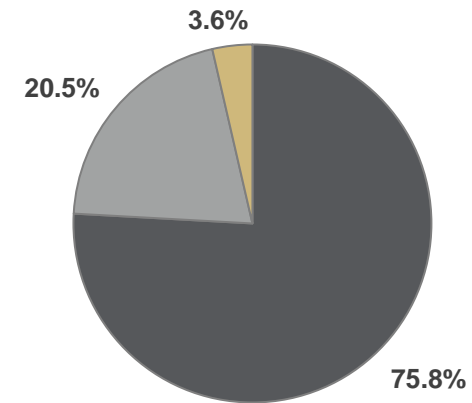


Under 25 Years Old



- Living Expenses
- Other (discretionary)
- Student Loan Payment

25-34 Years Old

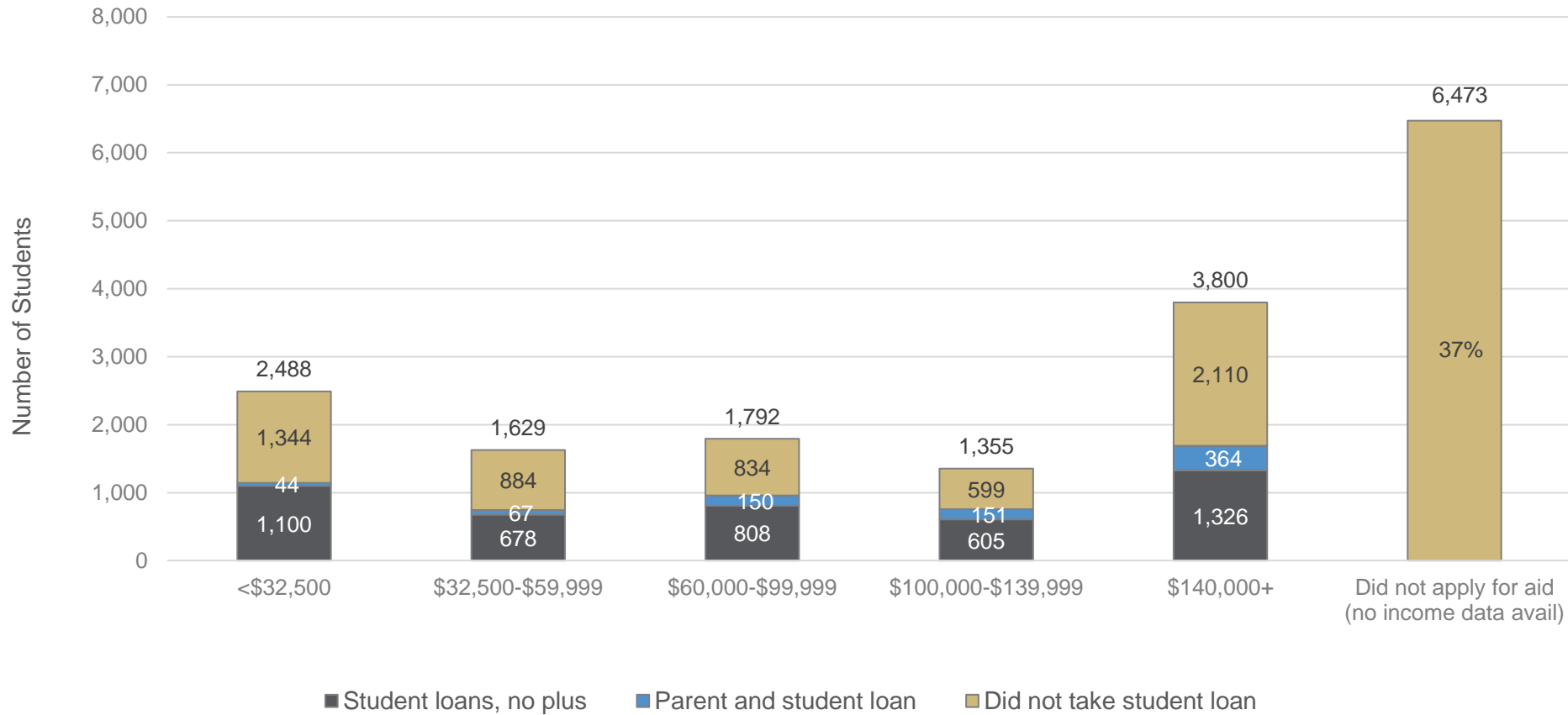


- Living Expenses
- Other (discretionary)
- Student Loan Payment

CU Boulder



CU Boulder Resident Undergraduates (FY 2023)



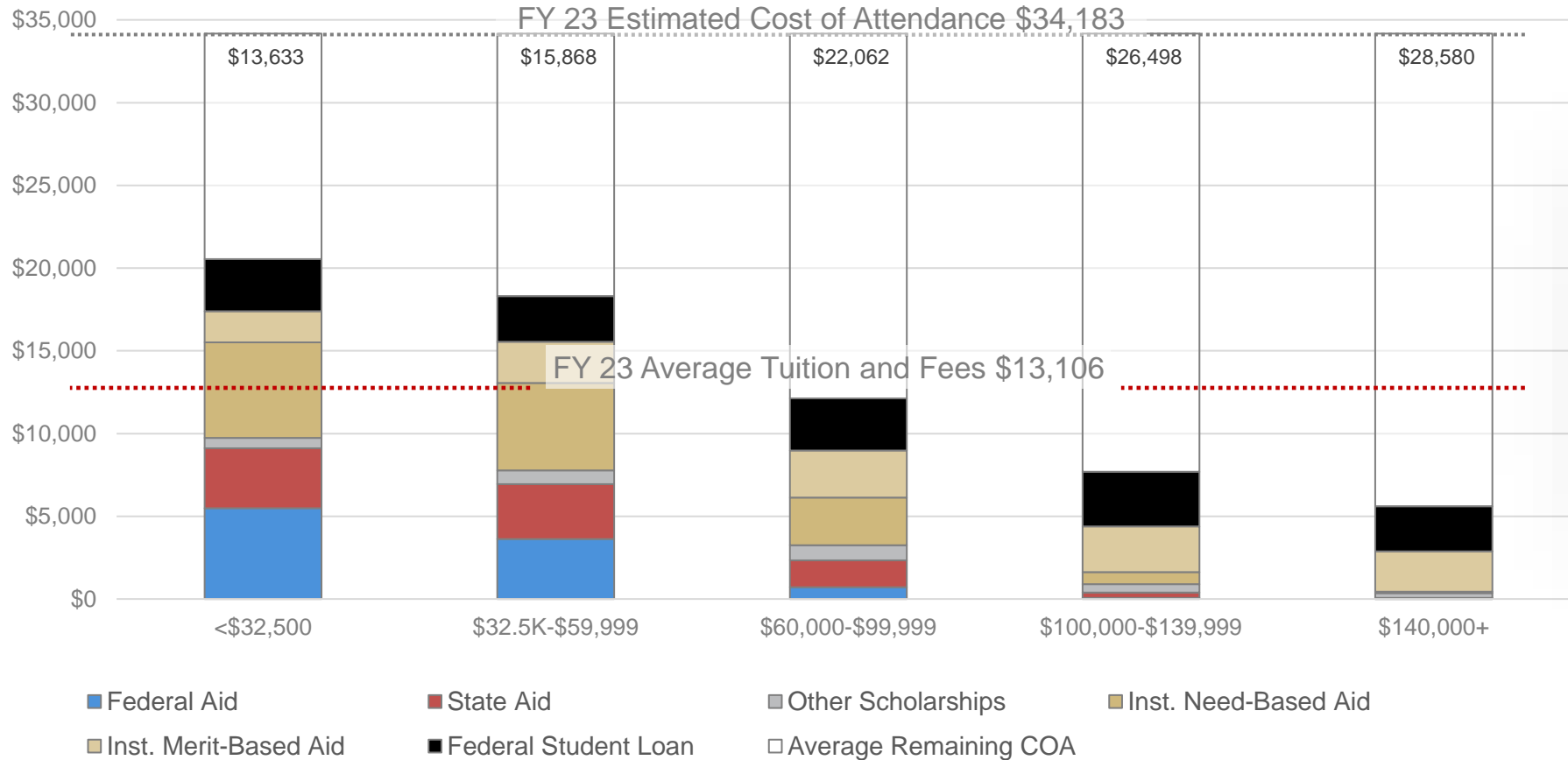
In 2023

70%

of resident undergraduate students did not take a loan at CU Boulder.

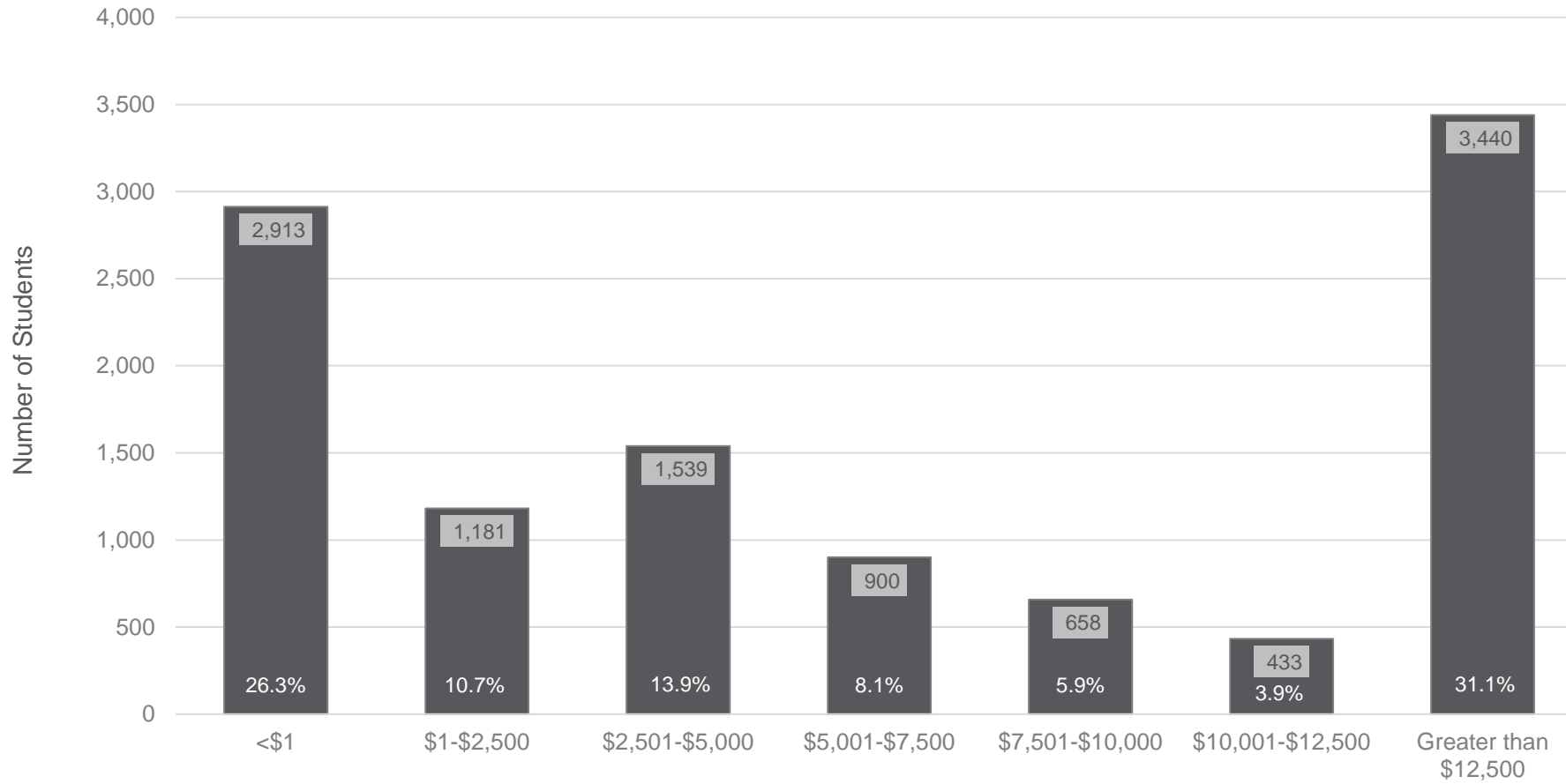
For those that did, the loans are distributed across all income groups.

CU Boulder Resident Undergraduate Average Financial Assistance (2023, new cohort)

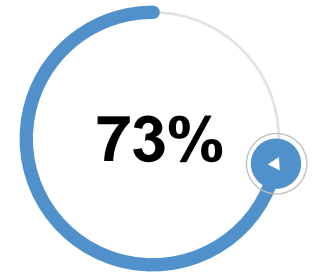


On average, students from households earning less than \$60,000 have tuition and fees covered by grants and scholarships.

CU Boulder Grants Award Distribution by Amount (FY 2023)

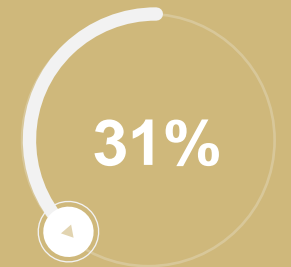


More than



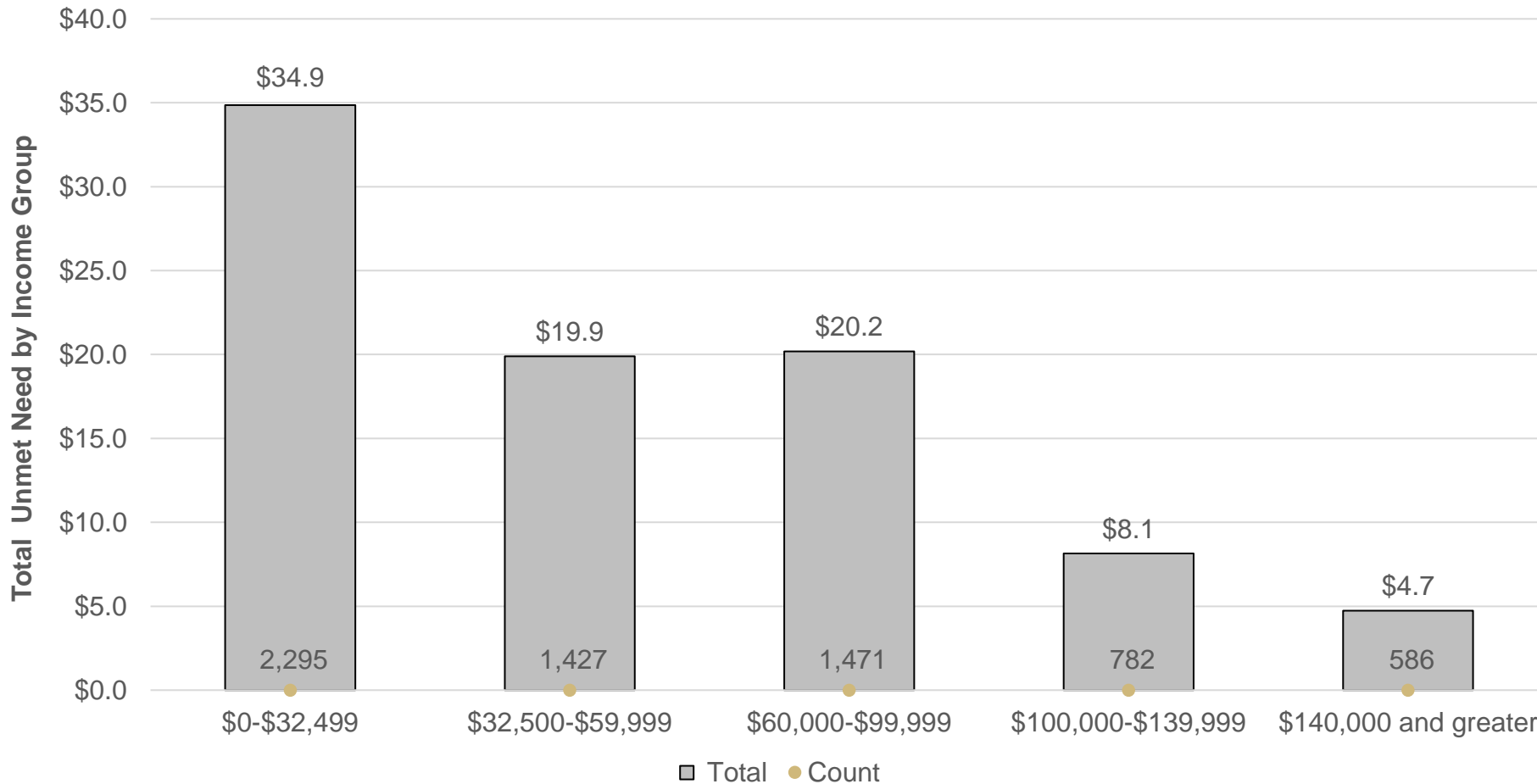
Colorado resident undergraduate students with a FAFSA receive some type of aid at CU Boulder

More than



receive enough to cover tuition and fees

CU Boulder Total Unmet Need After Grants – in millions (FY 2023)

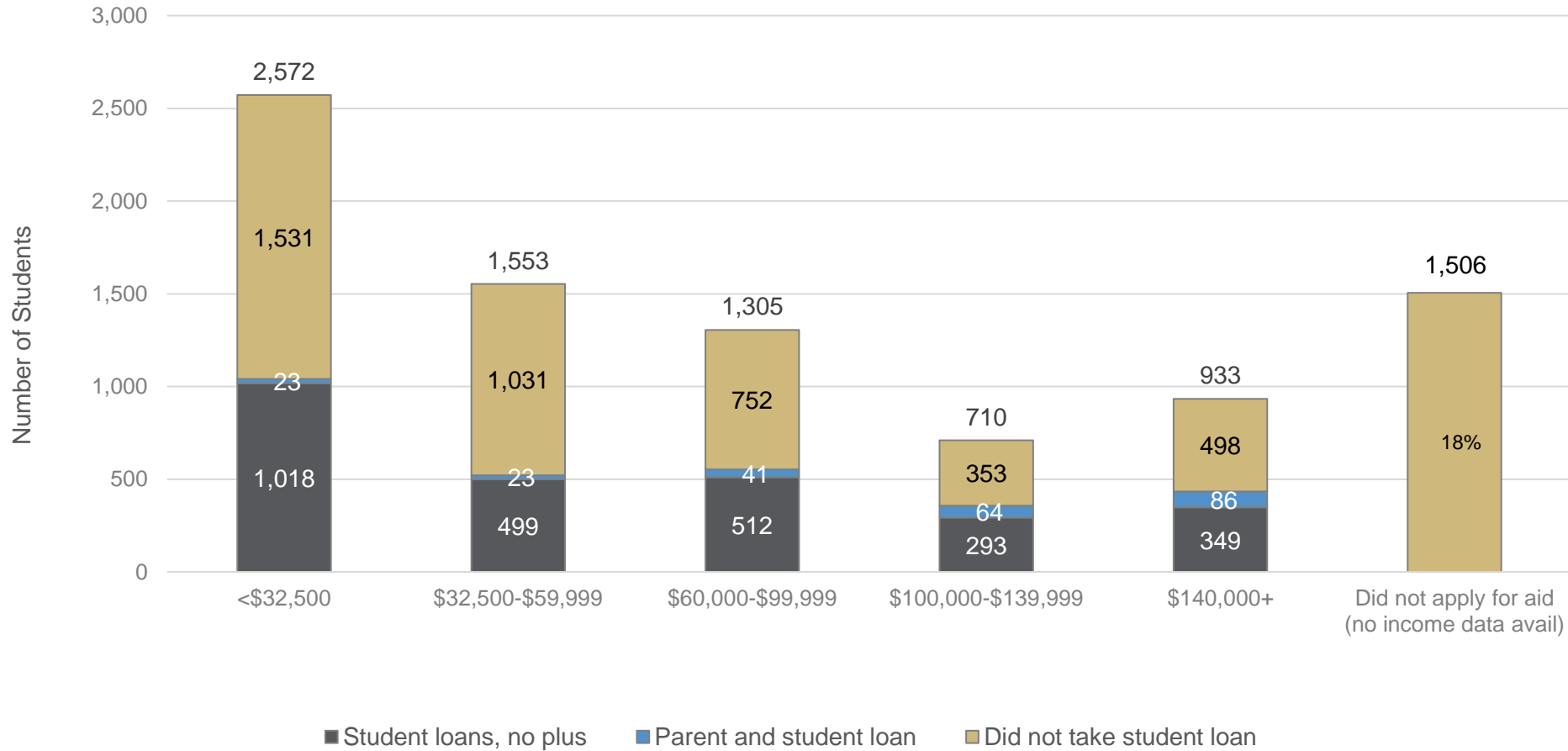


Total Unmet Need: \$87.8 million

CU Denver



CU Denver Resident Undergraduates (FY 2023)

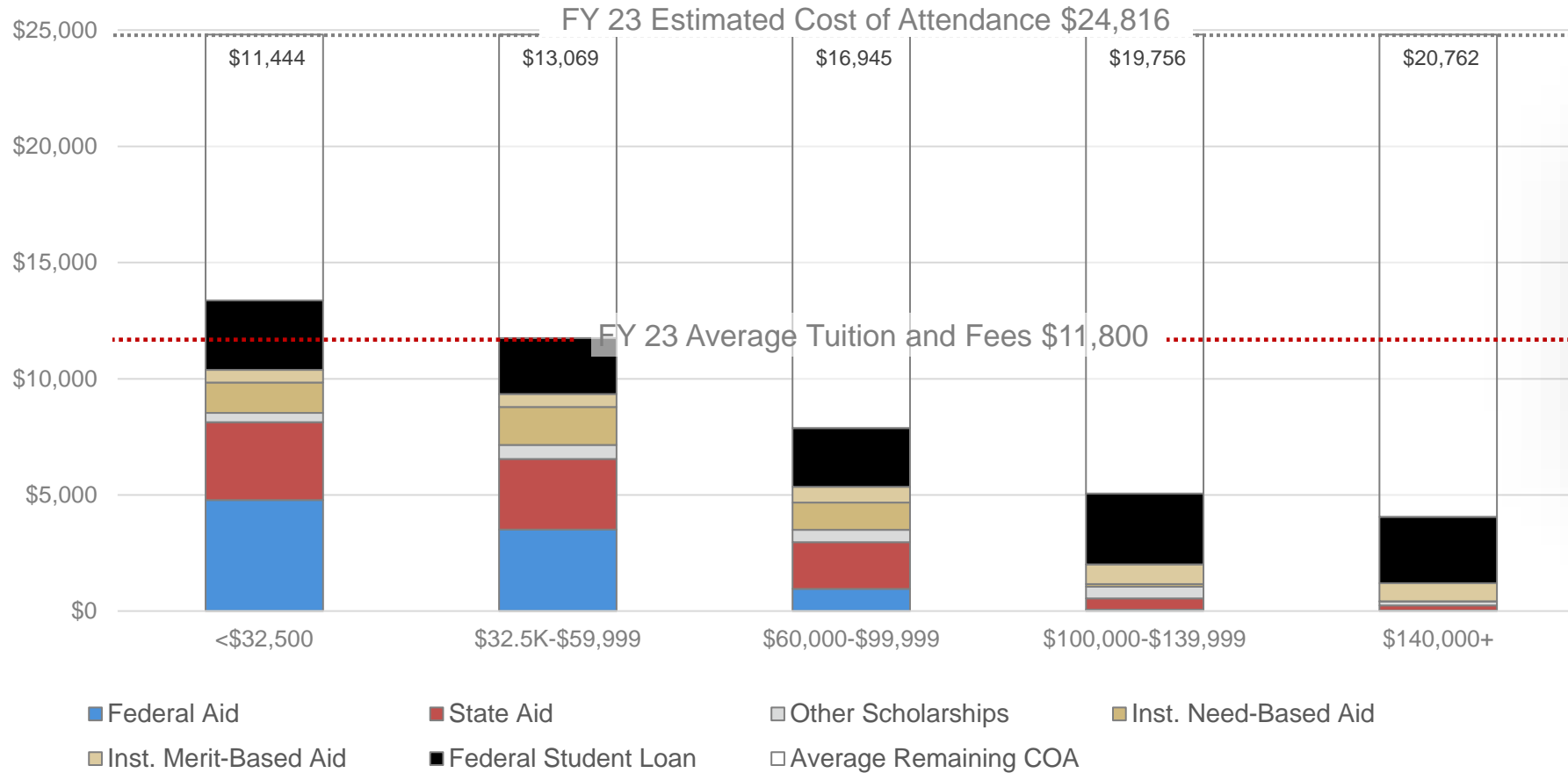


In 2023

66%

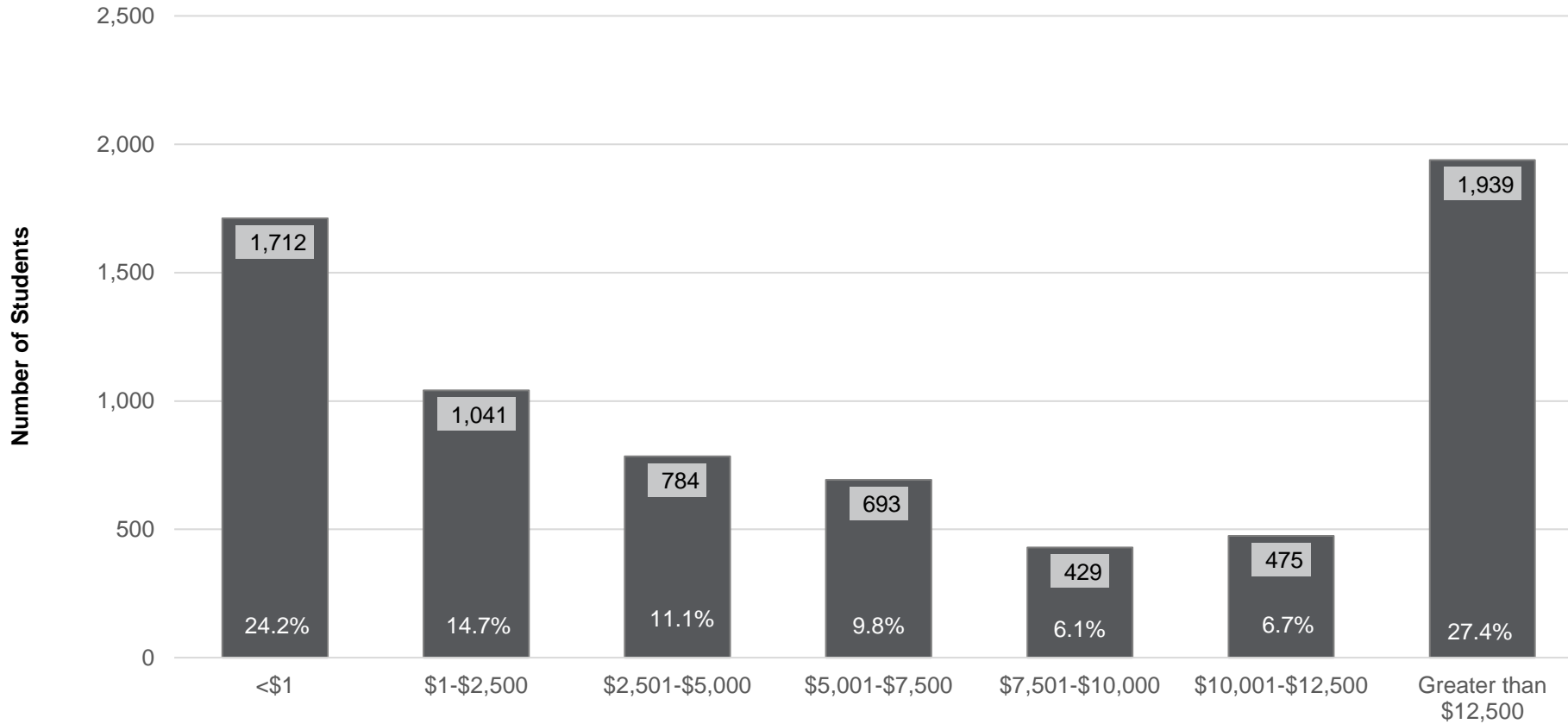
of resident undergraduate students did not take a loan at CU Denver. For those that did, the loans are distributed across all income groups.

CU Denver Resident Undergraduate Average Financial Assistance (FY 2023)

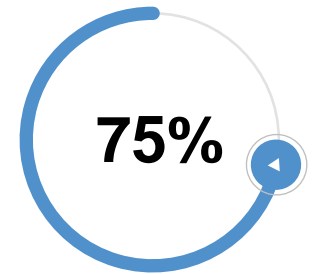


At Denver, financial aid is prioritized for students with greatest need.

CU Denver Grants Award Distribution by Amount (FY 2023)

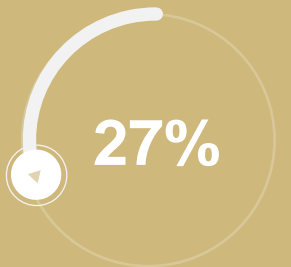


More than



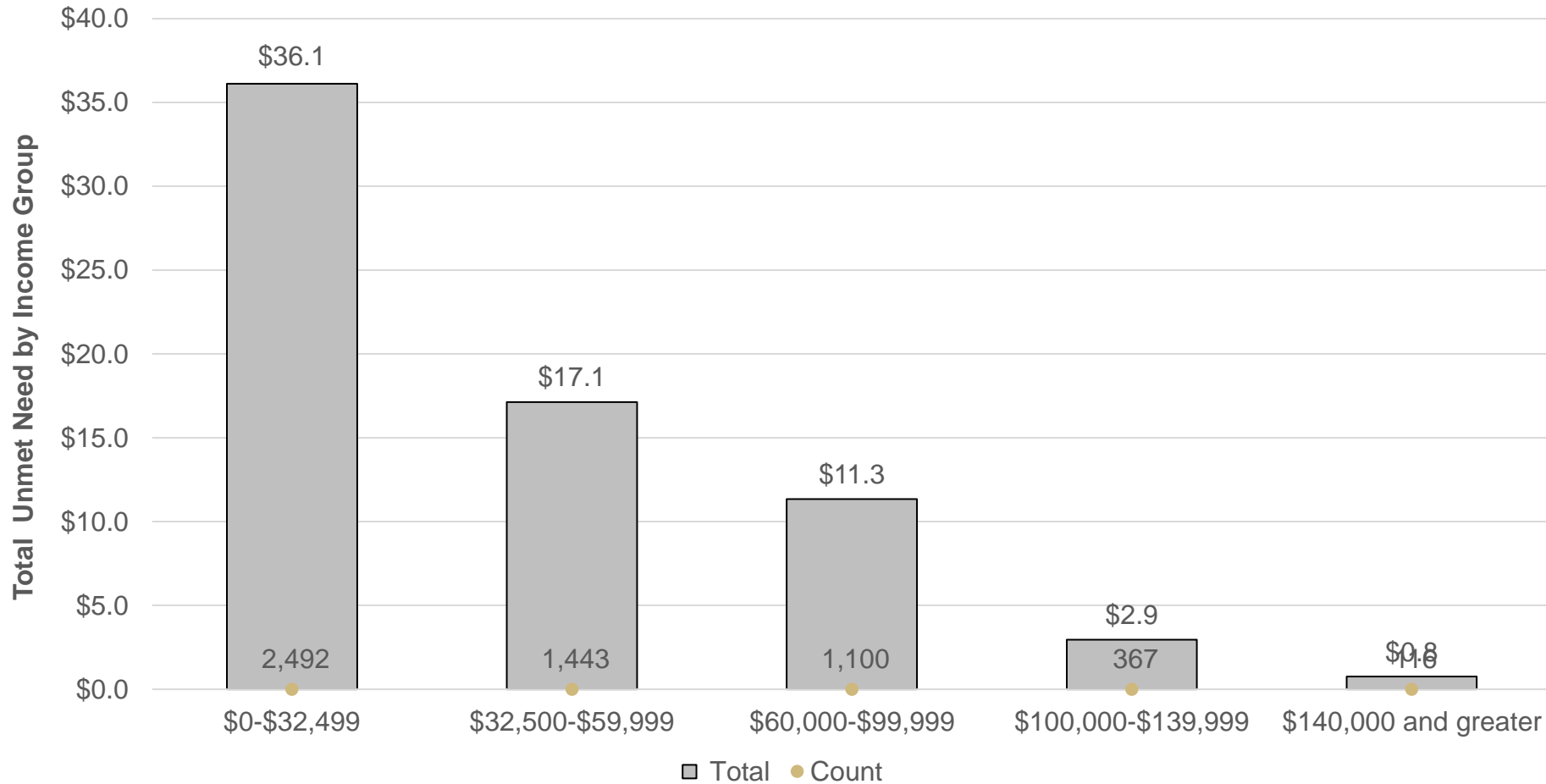
Colorado resident undergraduate students with a FAFSA receive some type of aid while attending CU Denver

More than



receive enough to cover tuition and fees at CU Denver

CU Denver Total Unmet Need After Grants – in millions (FY 2023)

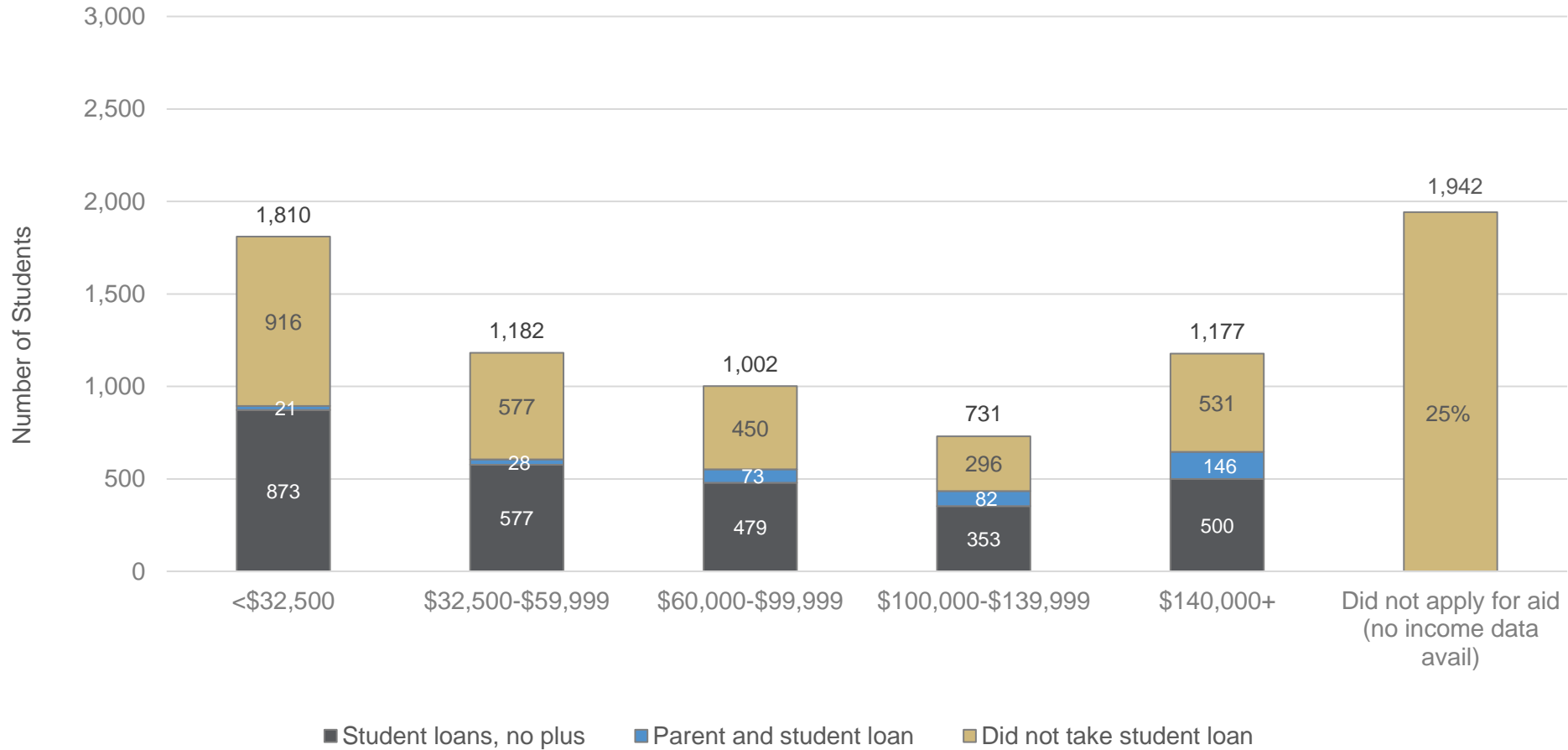


Total Unmet Need: \$68.3 million

UCCS



UCSS Resident Undergraduates (FY 2023)



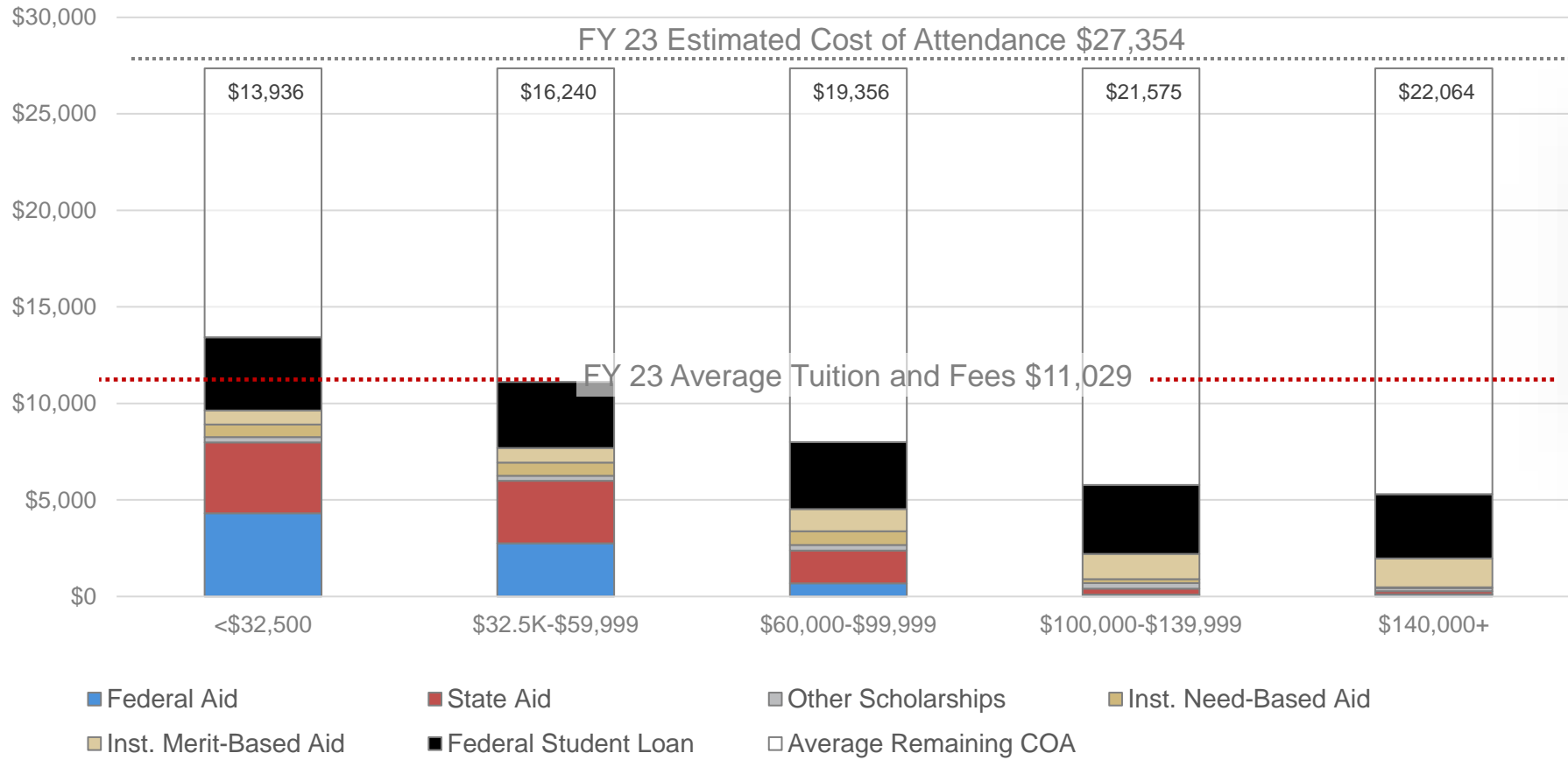
In 2023

60%

of resident undergraduate students did not take a loan at UCSS.

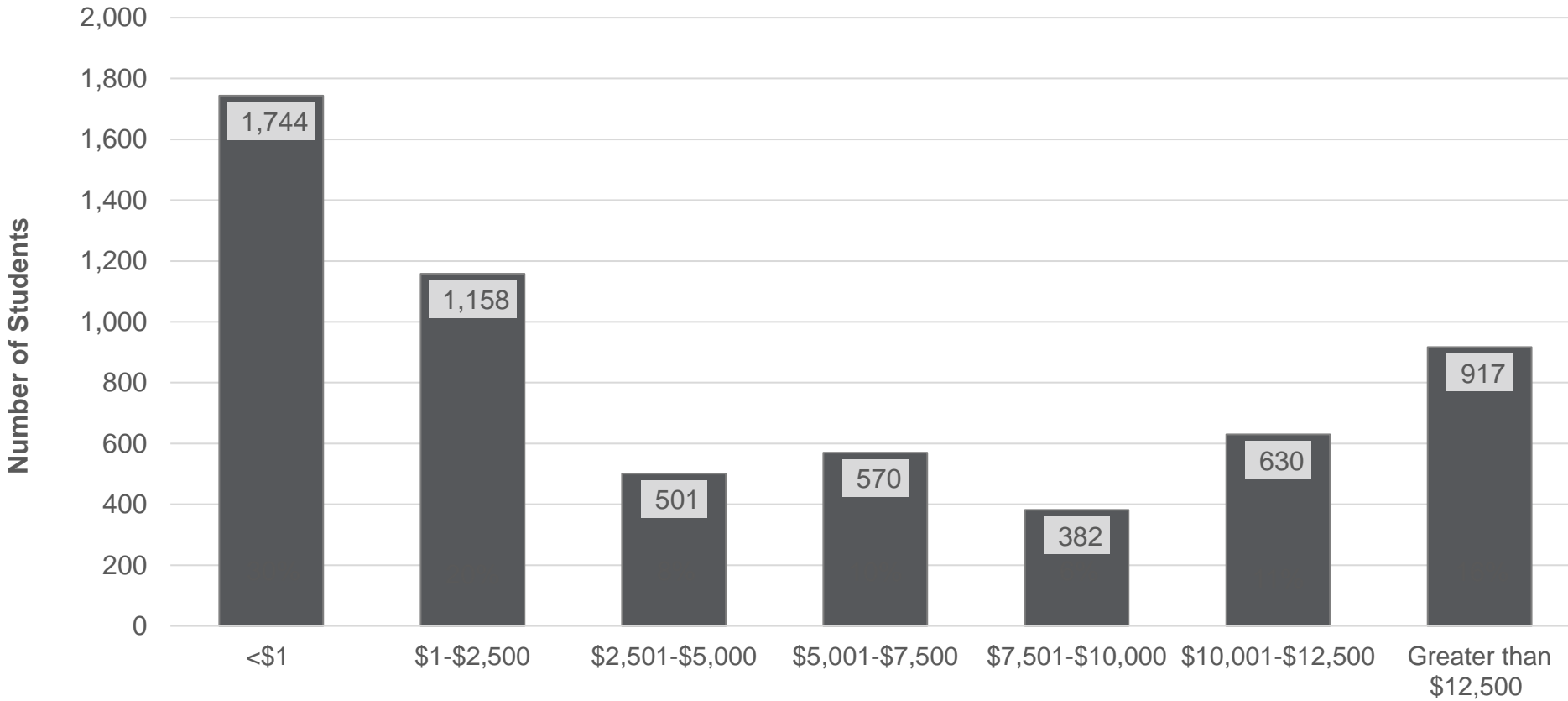
For those that did, the loans are distributed across all income groups.

UCSS Resident Undergraduate Average Financial Assistance (FY 2023)



At UCSS, financial aid is prioritized for students with greatest need.

UCSS Grants Award Distribution by Amount (FY 2023)



More than

70%

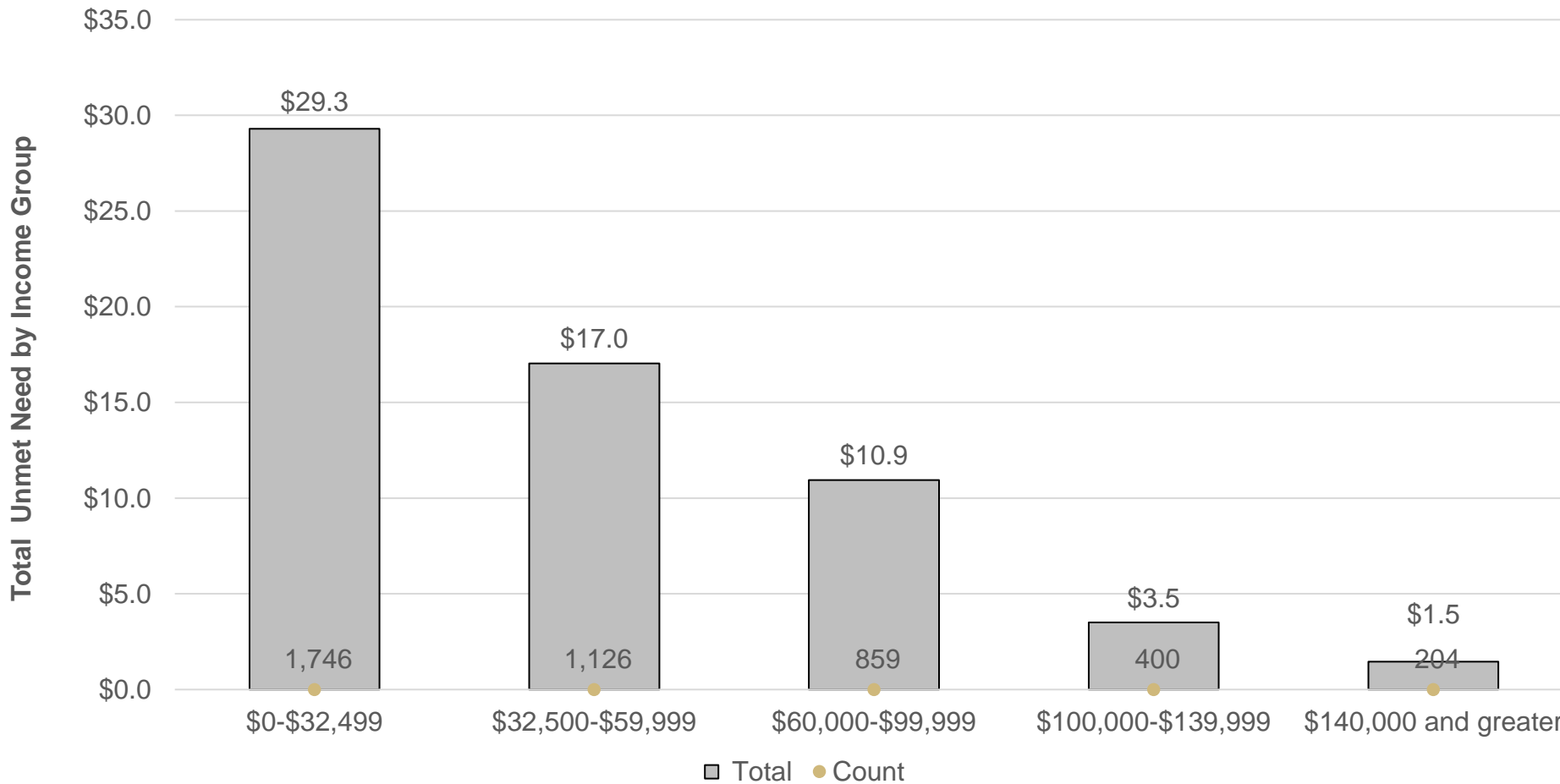
Colorado resident undergraduate students with a FAFSA receive some type of aid while attending UCSS

More than

16%

receive enough to cover tuition and fees at UCSS

UCCS Total Unmet Need After Grants – in millions (FY 2023)



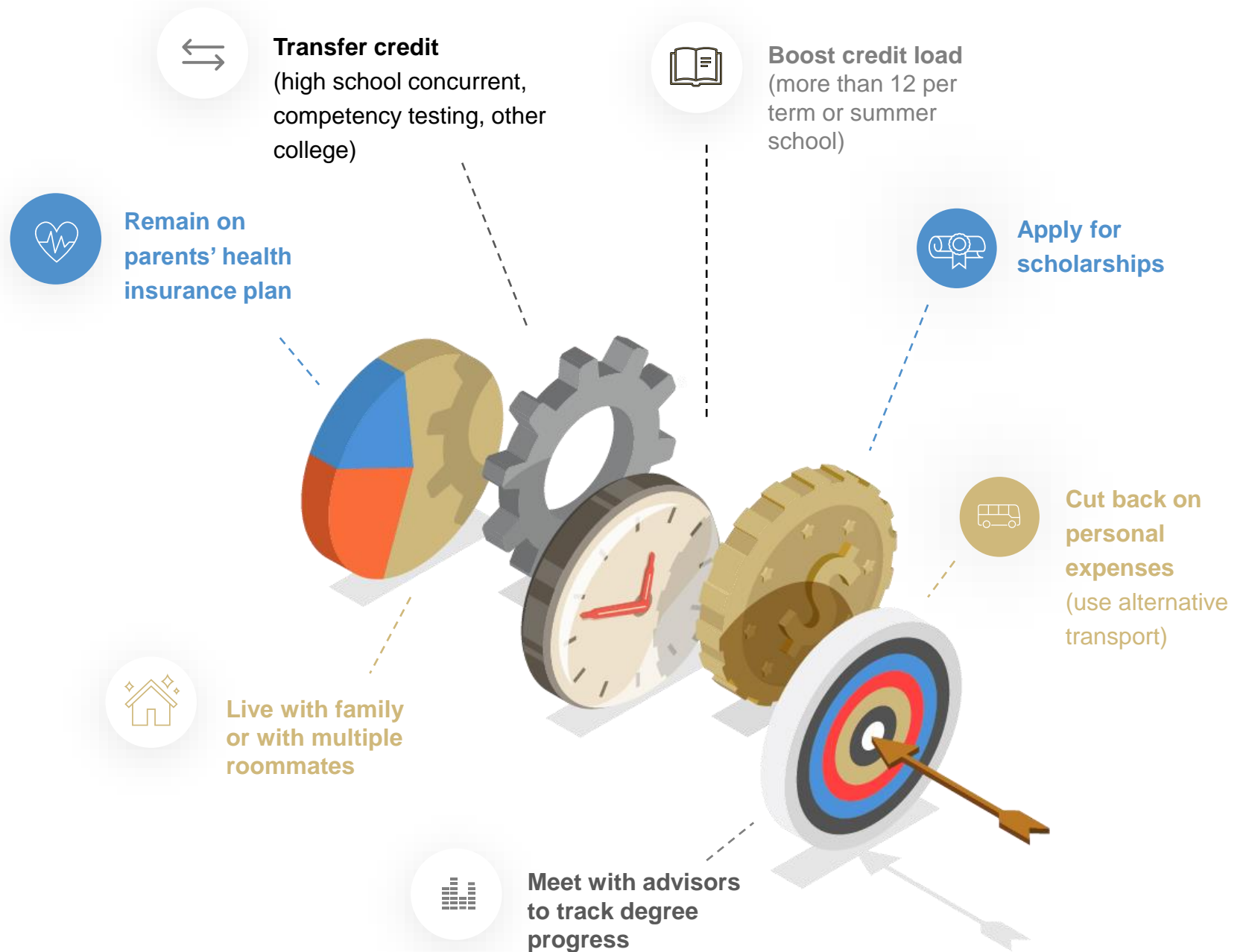
Total Unmet Need: \$62.2 million

Closing the Cost Gap

Ways to Reduce Cost

Other Means

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



Conclusions



investment in education

Out-of-pocket tuition and fee increases are mitigated for many low- and middle-income students. However, system-wide CU students had \$218.3 million of documented unmet financial need.

Of all resident, undergraduate students system-wide:

33%

took federal student loans in FY 2023

4%

had parent loans in FY 2023

System-wide, around half CU students graduate with no debt. Loan default rates at 0.0% due to suspended loan repayments during pandemic. Historically, CU students have lower default rates compared to Colorado and National averages.

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

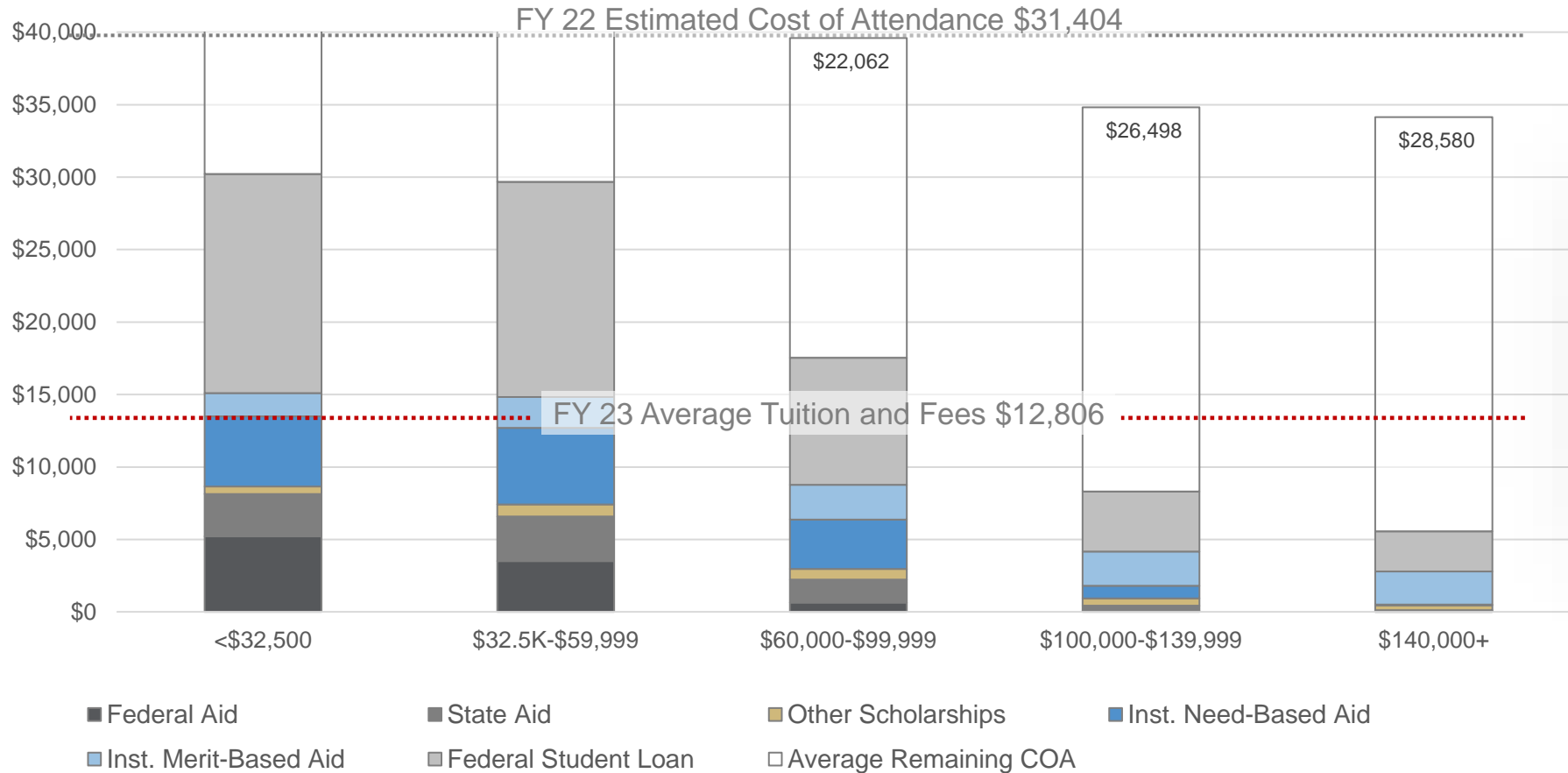


Visit our website at
cu.edu/affordability

Appendix

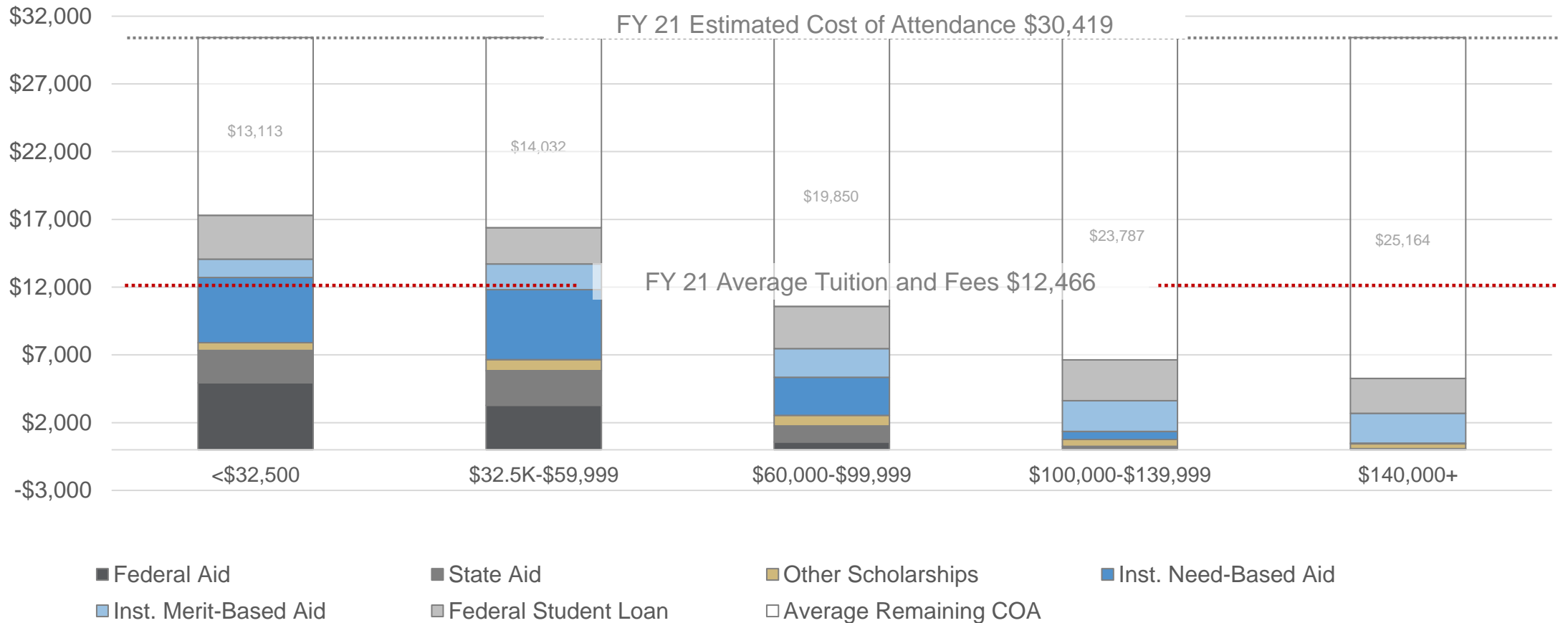


CU Boulder Resident Undergraduate Average Financial Assistance (2022, new cohort)

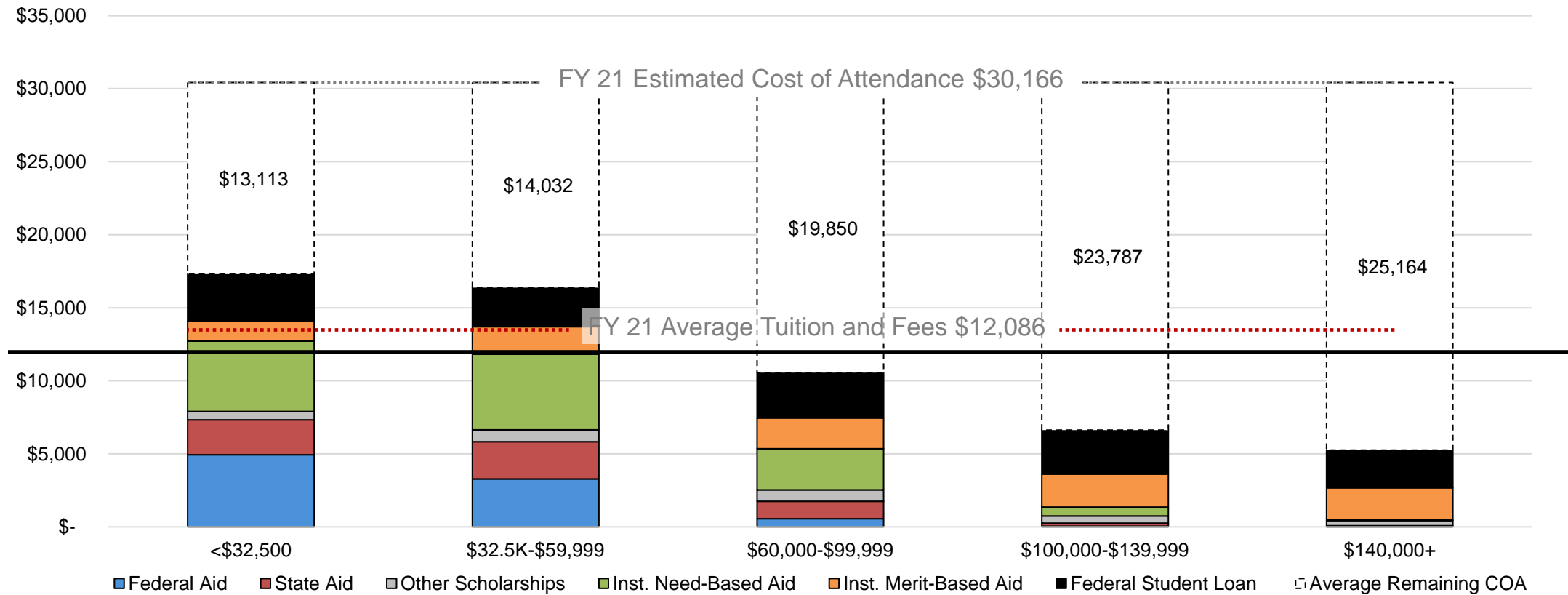


On average, students from households earning less than \$60,000 have tuition and fees covered by grants and scholarships.

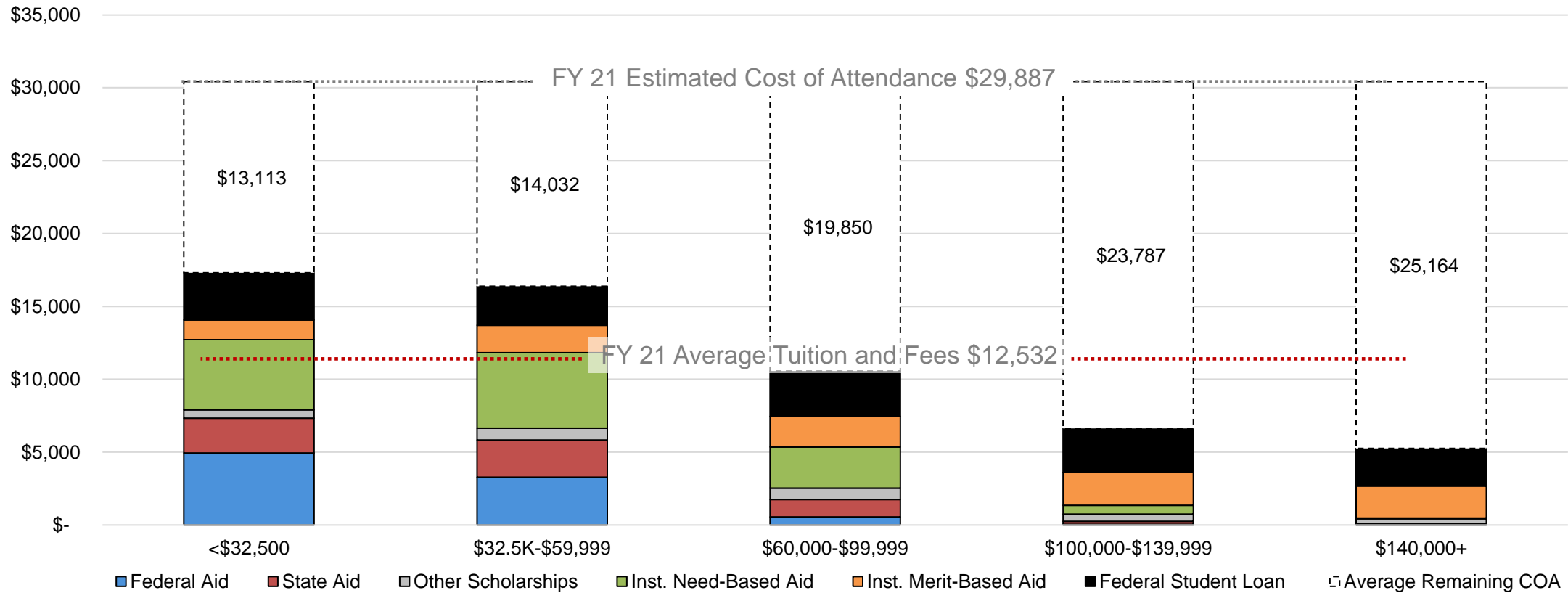
CU Boulder Resident Undergraduate Average Financial Assistance (2021, new cohort)



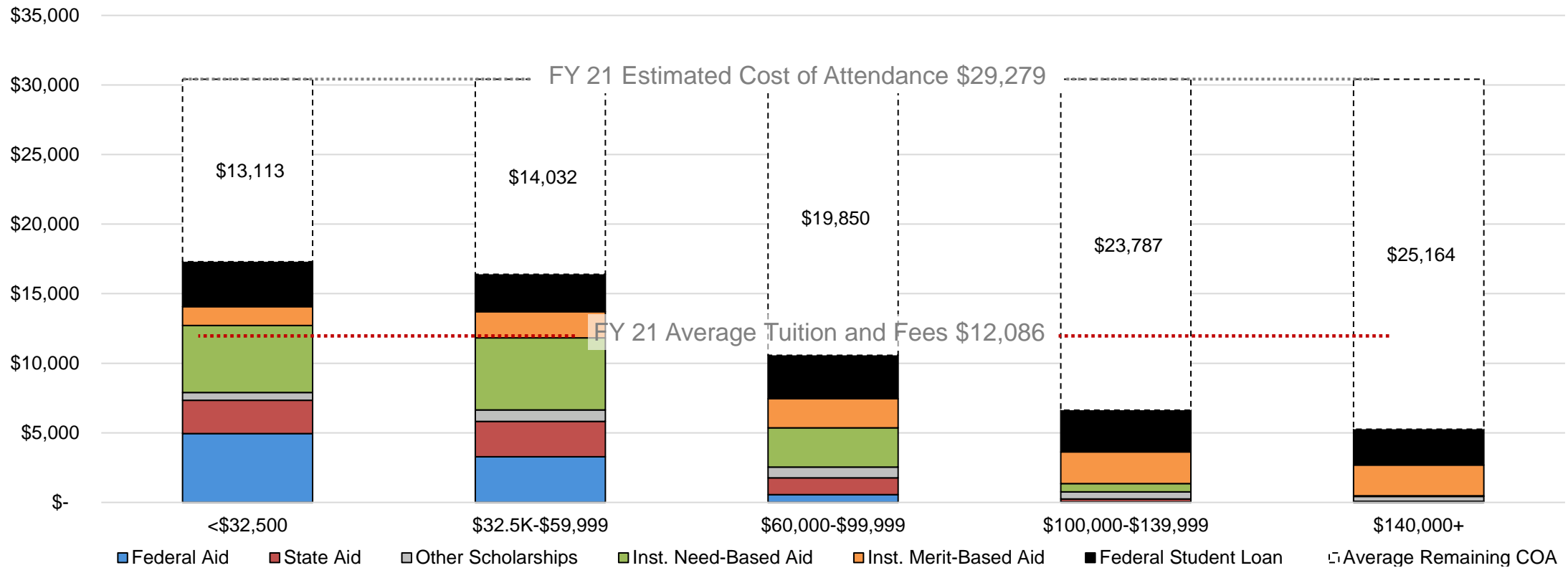
CU Boulder Resident Undergraduate Average Financial Assistance (2020 cohort)



CU Boulder Resident Undergraduate Average Financial Assistance (2019 cohort)



CU Boulder Resident Undergraduate Average Financial Assistance (2018 cohort)



CU Boulder Resident Undergraduate Average Financial Assistance (2017 cohort)

