



Student Debt and Financial Health

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Why Collect Students Costs and Financing Data?

- Are students being priced out of higher education?
- How much debt is too much?
- How are costs, grant aid, and debt related to access, persistence, and graduation?
- What is the effect of changing funding levels and increased costs to students?

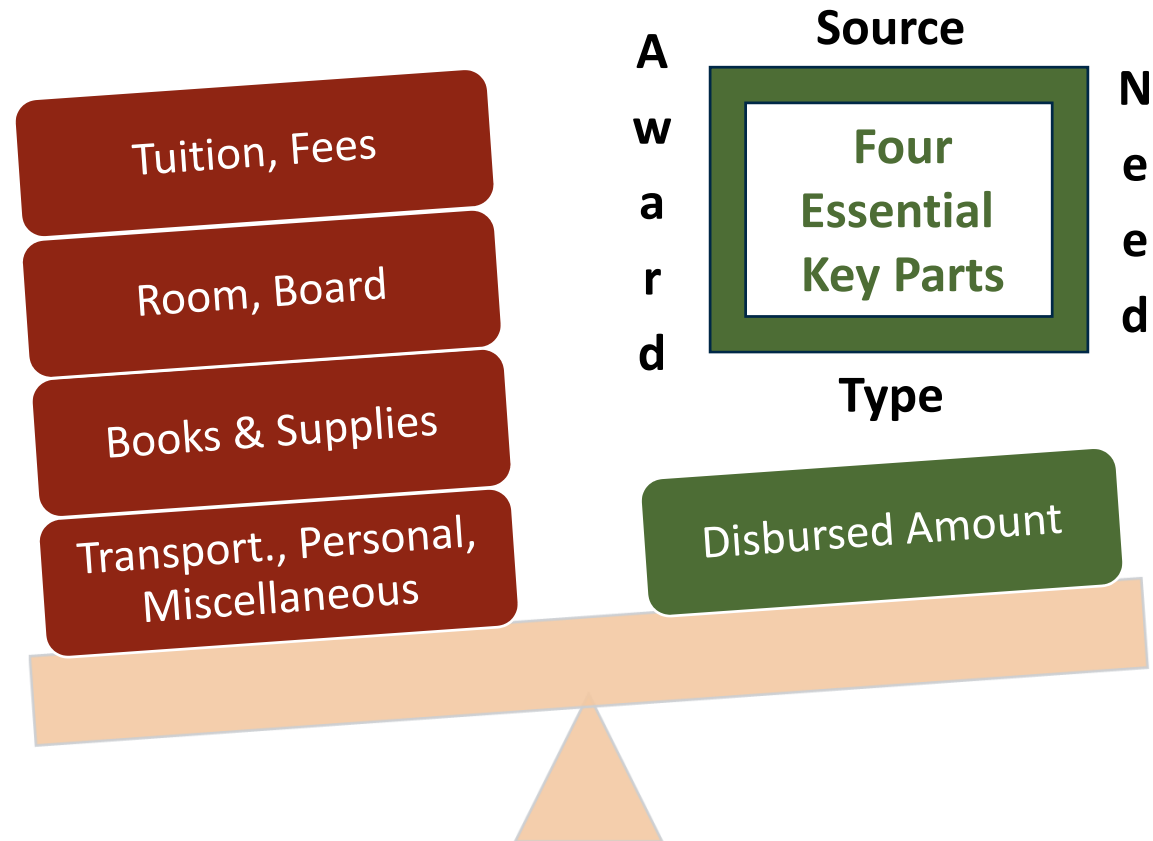
Why Collect Students Costs and Financing Data?

- NCHEMS & SHEEO conclude “...including financial aid data in a postsecondary longitudinal database is a wise investment.”
- Limited access to high quality and timely data
- Restrictions on use of FAFSA data
- Desired more than FAFSA data
 - Costs
 - Aid Disbursements
- Integration with statewide unit-record data system
- Reporting data source for survey data (i.e. the Common Data Set and IPEDS Student Financial Aid

Evolution of Student Financing Module (SFM)

Students Cost File

Students Financing File





Challenges with collecting student financing data

- Lack of detailed SFM knowledge among institutional researchers
- Lack of communication between institutional units
- Lack of institutional resources
- Level of difficult with some concepts
 - Leading or trailing summers
 - Multiple charge types
 - Room and board (per hour, flat rate)
 - Expected family contribution and number of months
 - Data validation (edits, edits, edits)



Kansas Uses of Data

- “How Students Pay”
https://www.kansasregents.org/resources/Enrollment_Report_Presentation_2015.pdf
- Degree Prospectus
ksdegreestats.org
- Student Debt Research Project



Degree Title: MATHEMATICS

Award: Bachelor Degree - BS

Required Hours: 120

Definition: A general program that focuses on the analysis of quantities, magnitudes, forms, and their relationships, using symbolic logic and language. Includes instruction in algebra, calculus, functional analysis, geometry, number theory, logic, topology and other mathematical specializations.

Annual Cost of Degree	
Cost Category	
Resident Tuition	\$8,411
Fees	\$1,638
Room and Board	\$9,175
Books and Supplies	\$971
Total Annual Cost (estimated)	\$20,195
Estimated Total Cost Over: 4 ▼ Years	\$84,817
More »	

Annual Source of Investment	
Funding Sources	
Scholarships and Grants	\$ 7651
Loans	\$ 7522
Other Funding Sources	\$
Personal Investment	\$5,022
Total Annual Investment from All Sources	\$20,195
More »	



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Wage Information	
% of Program Graduates Employed in the Region	57%
Median Earnings of Program Graduates in Region	
Upon Entry	\$39,723
After 5 years	\$53,984
Or Choose your Own Earnings:	\$ 39723
More »	

[Click here](#) to get a personal estimate from the Net Price Calculator.

[Click here](#) to use the Federal Loan Repayment Estimator.

[Click here](#) to visit the Federal College Scorecard.

Calculate Total Loan Debt or Degree Investment		
<input checked="" type="radio"/> Loan Debt	<input type="radio"/> Degree Investment	\$30,088
Interest Rate:		3.76
Number of Years of Repayment	Estimated Monthly Payment	% of Expected Annual Earnings
10	\$301	9%
15	\$219	7%
20	\$179	5%
25	\$155	5%
30	\$140	4%
More »		

Source: Kansas Board of Regents KHEDS AY Collection; KDOL Wage Records

Student Debt - Definitions

- Decision Tree Model
- Debt – Includes Subsidized and Unsubsidized Direct Loans, Perkins Loan, FFELP, Private/Alternative/Third Party Loans
 - *Excludes Parent Loans (PLUS)*
- Focused on High Debt (over the cumulative median debt of \$17K)
 - First-Time entering Kansas residents in 2014
 - Filed a FAFSA for each year enrolled
 - Public Universities
 - Enrolled 4 or 5 years

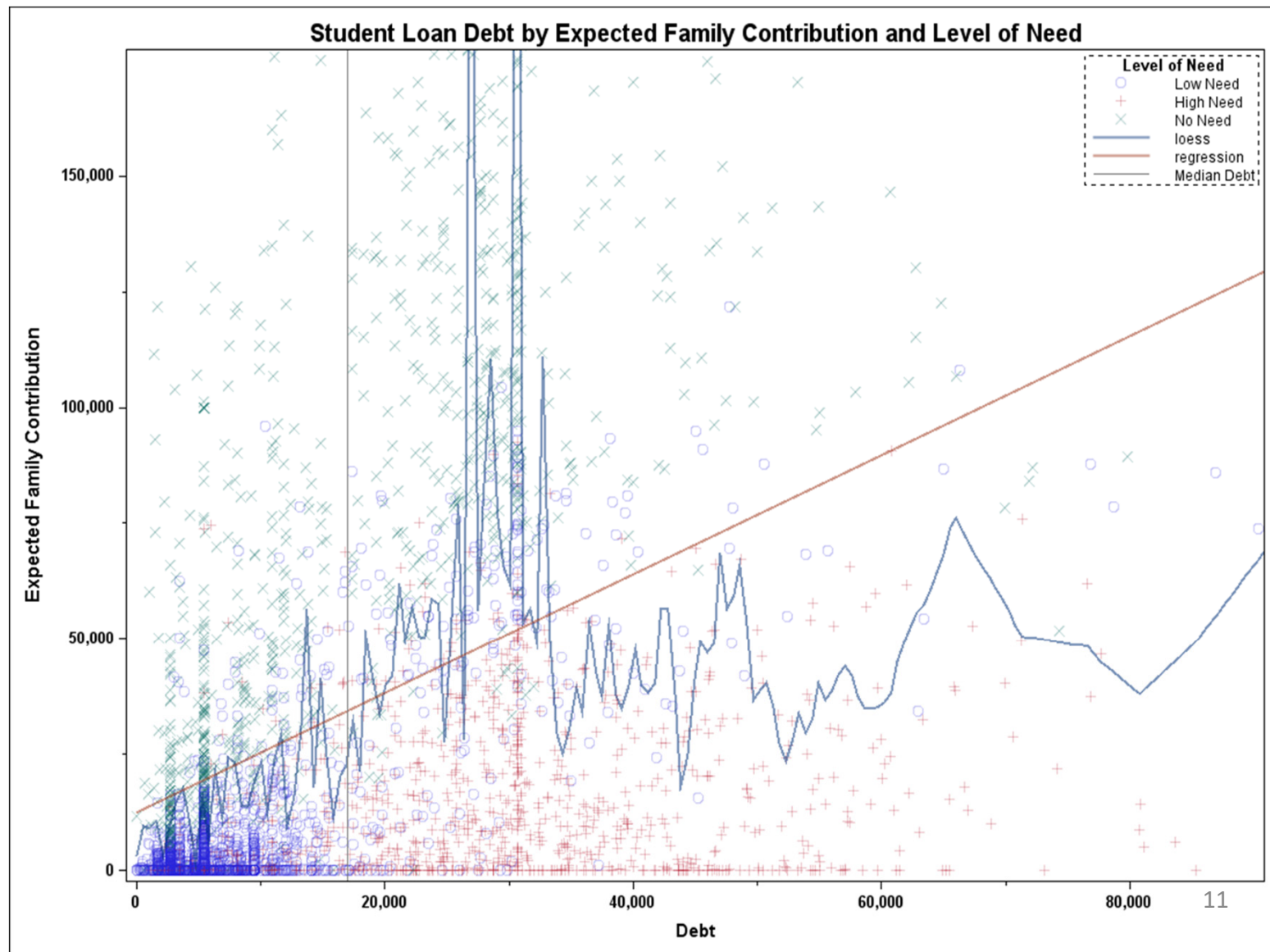


Students Debt – Definitions

- Total Cost of Attendance (COA)
 - Tuition and fees
 - + Room and board
 - + Books and supplies
 - – Waivers and tuition reductions
- Unmet Need
 - Total COA
 - – Expected family contribution (EFC)
 - – Scholarships, grants, and third party sponsorships
- High need is above the cumulative median \$14K

Note: All figures are cumulative.

Student Debt – The Findings



Student Debt – The Findings

- The ethnicity of high need students tends to reflect that of the Kansas population.
- However, black students have a higher proportion having high debt and Hispanic students have the lowest proportion with high debt.

Race/Ethnicity	Percentage with High Debt
Black	94%
White	82%
All Others	72%
Hispanic	65%

Student Debt – The Findings

- ACT Scores: Those with higher ACT scores have less debt

ACT Scores	Percentage with High Debt
No Score Available	18.3%
Less than 20	27.8%
21 – 24	31.4%
25 – 28	30.0%
29 – 30	28.1%
31+	23.9%

Graduation and Persistence

Graduation

- 60% of high need, high debt students graduate
 - 75% of low or no need students graduate
(of sample - enrolled 4-5 years)
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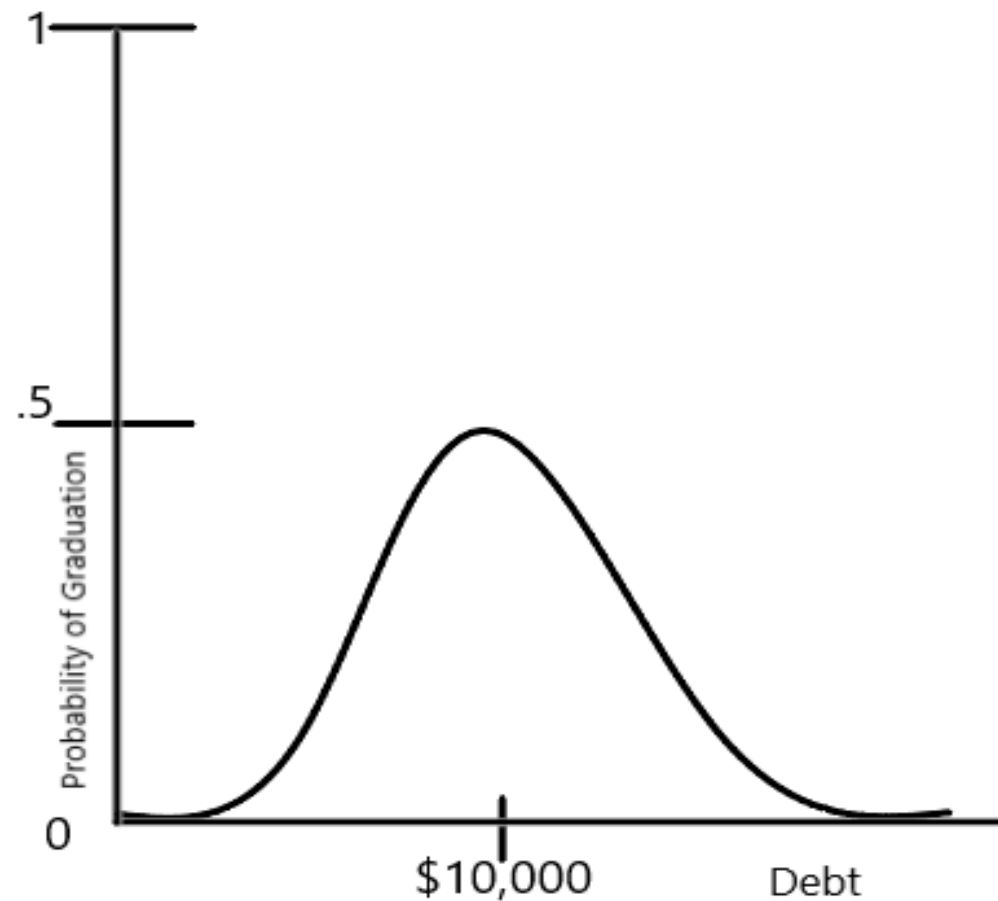
Persistence

Students who retained for a third year had

- lower unmet need
- higher average scholarship/grant amounts
- greater financial ability to pay

as compared to 2-year stop-outs

How much debt is too much?



Household budgets of graduates with loan debt can easily exceed typical entry level wages.

Typical First Year Combined Wages	\$78,184
Annual Household Budget	\$85,658
Housing	\$9,848
Food	\$8,852
Childcare	\$14,280
Healthcare	\$13,656
Transportation	\$14,200
Taxes and Other Expenses	\$17,684
Student Loan Repayment	\$7,138
Savings	(\$7,474)

Student Debt and Returns – The Experts Say

- National research suggest homeownership rates can decrease by 1-2% for every increase of \$1,000 in student debt.
- Higher growth in student debt correlates with lower growth in small business formation.
- Individuals with student debt are less likely to remain in rural areas.
- Debt increases the risk of insufficient retirement savings.



Questions

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