



MEET US IN THE

# MIDDLE

AFFORDABILITY FOR THE WORKING STUDENT

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# TABLE OF CONTENTS

EXECUTIVE SUMMARY ..... 1

INTRODUCTION ..... 2

WHO WE ARE ..... 4

METHODOLOGY ..... 5

OUR FINDINGS ..... 6

THE IMPACT OF STUDENT DEBT ..... 7

THE MIDDLE CLASS SQUEEZE AT THE UNIVERSITY OF WASHINGTON .... 11

RECOMMENDATIONS ..... 14

CONCLUSION..... 21

ENDNOTES..... 23

# Executive Summary

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The Associated Students of the University of Washington formed the Student Debt Reduction Working Group in September 2013. Our recommendations provide a pathway to affordability for students of the state of Washington.

## **It is no longer possible to afford the cost of education through working.**

Under the current tuition and financial aid policy, an in-state student would need to work 54 hours per week, year-round, in order to pay for the full cost of education at the University of Washington. This is not a reasonable expectation.

## **Student debt is an urgent issue for University of Washington students.**

Students are working multiple part-time jobs, commuting long distances, and receiving a less valuable educational experience because of it. Moreover, they are graduating with large amounts of debt despite their best efforts to avoid it. Access does not equal a full collegiate experience.

## **Middle class students are in a 'squeeze' where they receive no aid despite having constrained resources to pay.**

A student from a family making about \$80,000 per year receives no grants at the University of Washington. After Expected Family Contribution, this leaves over \$15,000 each year to the student. Even if this student worked 40 hours per week over summer and 20 hours per week throughout the year at Washington minimum wage, they would accumulate significant debt.

## **No student's Expected Student Contribution should be greater than the amount that can be earned by working 40 hours per week over the summer and 20 hours per week throughout the academic year at Washington State minimum wage.**

As steps towards implementation, we suggest the following:

- State Legislature: Fully fund the State Need Grant, which will provide the University of Washington an additional \$20 million to extend aid to the middle class.
- University of Washington: Redistribute existing financial aid resources to set the lowest Expected Student Contribution to the lowest income student.

**We urge higher education stakeholders to make it possible for students to work through school again.**



# INTRO -DUCTION ION



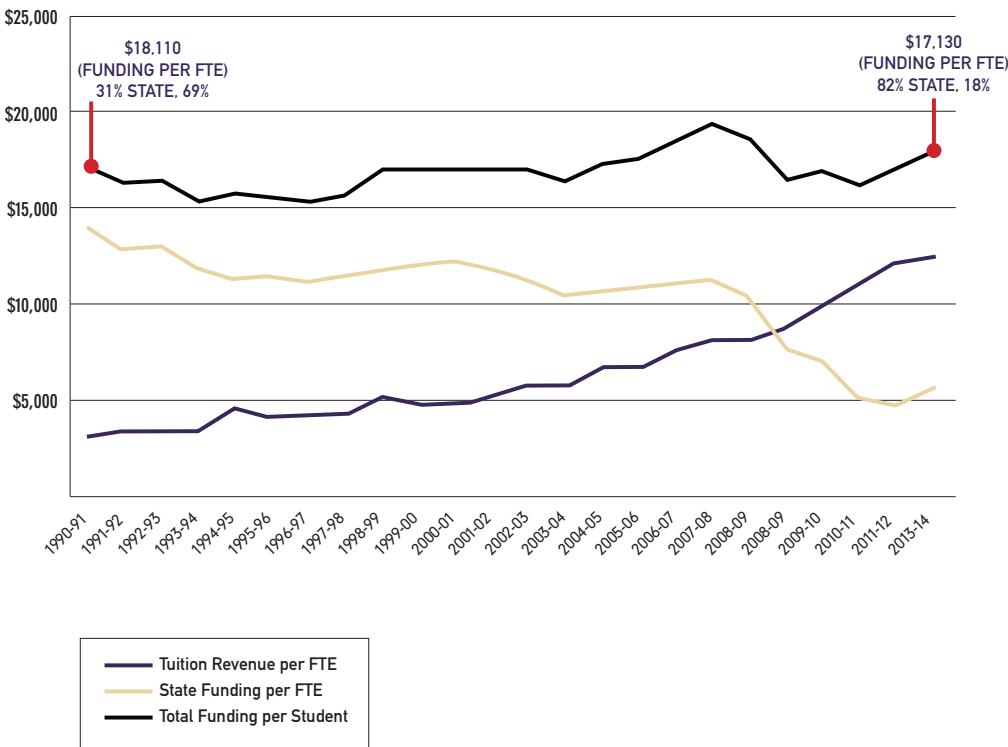
This report will define a path to affordability for Washington undergraduate students. Students are willing to share responsibility for the cost of higher education, but the tuition increases since 2008 have placed that responsibility too heavily on our shoulders.

In order to assess the affordability of the University of Washington, we developed a new metric: the Expected Student Contribution. This is the amount that a student is expected to pay after family contribution, grants, and scholarships are subtracted from the full cost of education.

There are two problems that require decisive action in the current system. First, **it is no longer possible to make enough wages by working through school to afford the full cost of education.** Many students are working multiple jobs while taking other cost saving measures like commuting long hours to cover costs. This harms the ultimate value of their college experience.

Secondly, **Expected Student Contribution varies widely across income groups.** We recommend a new way of allocating financial aid resources that levels out and minimizes Expected Student Contribution.

FIGURE 1: FUNDING PER STUDENT FTE (ALL “STATE FUNDED” FTE INCLUDED)



Source: OPB

At the University of Washington, tuition has increased by 75% since 2008. Over that same time period, state funding of the institution has decreased 52%.<sup>1</sup> The chart on the left (fig. 1), produced by the University of Washington Office of Planning and Budgeting, shows a stark picture of state support.

After years of warning decision-makers of the negative implications of tuition increases, we felt the need to learn more about students’ experiences at the University of Washington with student debt. We explored the impact of these tuition increases on individual students as well as broader indicators of affordability.

Washington state had the 9th largest decline in state funding per student from FY08-FY13. It had the 2nd largest tuition increases over that same period.<sup>2</sup> This report describes the impact of those policy decisions on students.

## Who We Are

The Student Debt Reduction Working Group was commissioned by the Board of Directors of the Associated Students of the University of Washington on September 26, 2013 with the following goals:

- I. Investigate ways to increase affordability and reduce debt for working and middle class students, potentially through increased middle class financial aid;
- II. Raise financial aid literacy on campus;
- III. Develop strategies for community outreach, legislative lobbying, and administrative relationships for student debt reduction;
- IV. Build a volunteer base for the furthering of the above goals;

This group met weekly throughout the 2013-2014 academic year. Our efforts in this area included a financial aid literacy campaign, called *All Debt is Not Created Equal*, research and review of literature, and several presentations on the impact of student debt to key stakeholders. A link to our presentation to the Washington State House of Representatives Higher Education Committee can be found in the endnotes section<sup>12</sup>.

## Methodology

As representatives of the Associated Students of the University of Washington, we have better ability to gauge the perception and experience of University of Washington students than almost any other organization.

Our methods included:

- Frequent conversations with students on the issue of student debt, including a series of interviews with particularly affected students.
- A Google form for students to use to share their student debt story. We received 42 detailed responses.
- Analysis of existing white papers on financial aid policy.
- A survey to determine student financial aid knowledge and participation. See appendix A for our questions. We attached this survey to a routine e-mail to the ASUW list-serve and posted it on social media, receiving 387 responses - a response rate of 3%-10%, depending on how many students opened the e-mail. Although questions were validated by the Office of Educational Assessment, we do not argue for the statistical validity of these survey results. This data served as a guide towards potential problems.
- Communication with the UW Office of Financial Aid and Office of Planning and Budgeting for institutional data.
- Perspective from the University of Washington Enrollment Management Advisory Council, which has been charged with assessing the effectiveness of institutional aid in meeting university goals.
- Conversations with legislators in Olympia.

The background of the image is a photograph of a classical building with several large columns. In the foreground, a person wearing a white dress is standing on a grassy area, with their arms raised in a gesture of joy or triumph. The entire image is overlaid with a semi-transparent purple filter.

# OUR FIND- INGS



## The Impact of Student Debt

Student debt is an urgent problem that requires immediate action. A college education is a worthwhile investment, but only if students are getting the value out of their degree. This is limited by the following factors:

1. STRESS OVER FINANCES ADDS TO THE CHALLENGING TRANSITION TO A UNIVERSITY SETTING.
2. STUDENTS CONSIDER DROPPING OUT OR DO DROP OUT AS A RESULT OF FINANCES.
3. FAMILIES ARE FORCED TO MAKE INORDINATE SACRIFICES IN ORDER TO PAY FOR THE HIGH COST OF EDUCATION.
4. STUDENTS ARE LIMITED IN THEIR ABILITY TO PURSUE TIME-INTENSIVE MAJORS AND LESS ABLE TO ENGAGE ON CAMPUS.

Student debt places a heavy financial burden on students, with negative consequences on student experience and student health. Average student debt at the University of Washington has increased over 17% since 2008.<sup>1</sup> These are some of the impacts that student debt is having on individuals pursuing their degree.

1. STRESS OVER FINANCES ADDS TO THE CHALLENGING TRANSITION TO A UNIVERSITY SETTING.

**Response #26** *“Having to take out loans puts a constant nagging fear on the back of my mind. It raises questions such as...*

*What if I can’t pay my loans in a timely manner?*

*Am I studying what I want to study or am I studying what will pay off my loans?*

*Is this all worth it?*

33% reported “current finances are often or always stressful.” This was the single most consistent trend among students using the center.

*It can be an uncomfortable load on my shoulders. My parents are taking out loans to help me out but I cannot stand to think that they will have to work that much longer just to pay off loans that were taken out for my benefit.*

*It is hard to express in an articulate manner but my financial situation is always on the back of my mind and takes away from living day to day and enjoying the little things in life.”*

In a January 2013 update to the Board of Regents, the University of Washington Counseling Center discussed trends among students that took advantage of mental health resources. Of the students using the counseling center, 33% reported “current finances are often or always stressful.”<sup>3</sup> This was the single most consistent trend among students using the center.

2. STUDENTS CONSIDER DROPPING OUT OR DO DROP OUT AS A RESULT OF FINANCES.

**Response #16**      *“I don’t even know if I can afford to go to UW for my second year. I’ve already had to take out student loans (my parents have also) and now I’m thousands in debt...I haven’t even started my life in ‘the real world’. I feel like I’ll be starting life behind and I worry about how I’m going to find the money to finish school here and pay off my loans someday.”*

This student, on the verge of dropping out as a result of finances, speaks powerfully to our concern. National data provides further evidence to the idea that a lack of financial aid contributes to higher dropout rates. A survey of 22-30 year olds that did not complete their postsecondary education found that the two primary reasons for dropping out were high tuition and a need to go to work to make money. That survey found that 69% of those same 22-30 year olds did not receive any grant or scholarship support.<sup>4</sup>

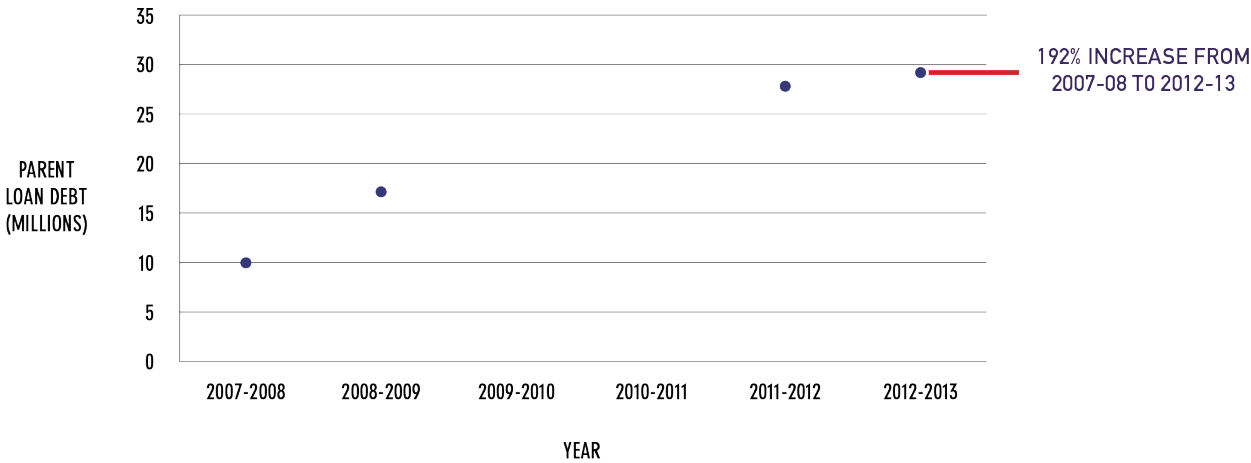
3. WASHINGTON FAMILIES MAKE SACRIFICES IN ORDER TO PAY.

**Response #6**      *“...I come from a middle class family; we don’t have a lot of money to spare as it is and right now, this accumulating debt is a great concern to us. I know college is important, but is it so important that my parents are looking at taking out a second mortgage?”*

**Student debt is not just a student issue; it is a Washington family issue.** The UW’s 2011-2012 common data set showed that in addition to \$76.6 million in federal student loan debt outstanding, there was \$29.2 million in federal parent PLUS loans outstanding.<sup>5</sup> We believe this underestimates the true amount parents take out in loans, as many turn to private loans or home refinancing, and the effect of prior year tuition increases had not yet been realized in that debt number.

Student debt is not just a student issue; it is a Washington family issue.

PARENT LOAN DEBT



Source: OPB common data set

**Response #37**

"We didn't have a dime, but the paperwork decided we had about \$10,000 sitting in a drawer just waiting to be invested into education."

*"My mom's student debt was not taken into consideration regarding her ability to pay for my education, which led to an extreme overestimate of how much I could afford to pay and underestimate of how much aid I was eligible for. She had just finished her own Bachelor's degree and had no money to contribute, we had never been able to save for college, and while I was still in contact with my dad (they were divorced), he was struggling to start up a business with a friend of his and was working for no pay. To be able to go to UW, I had to have my mom take out \$13,000 in a parent PLUS loan, with the understanding that it's my debt and it is my responsibility to pay it off, on top of the other \$6,000 worth of loans with my name on them. We didn't have a dime, but the paperwork decided we had about \$10,000 sitting in a drawer just waiting to be invested into education. I don't regret taking out loans; my two years at UW will be some of the best in my life. I just wish I didn't have to pay it off for the next 40 because it was decided that our debt just didn't count."*

4. STUDENTS ARE LIMITED IN THEIR ABILITY TO PURSUE TIME-INTENSIVE MAJORS AND LESS ABLE TO ENGAGE ON CAMPUS.

*"I am a strongly middle class student that has to deal with student loans, a job, and classes. Add to the fact that I am an engineering student trying to get into my major with very little extra time, tuition is just another factor that stresses me out daily."*

Research shows that working over 20 hours per week in the academic year harms academic outcomes.<sup>6</sup> Students that have limited resources often turn to working multiple jobs, commuting, or other significant time commitments to pay for their education. With the competition for programs like Computer Science, Mechanical Engineering, and Business increasing at the University of Washington, these time commitments are becoming obstacles between them and these important fields.

Further, **access does not equal a full collegiate experience.** Similar to the concern over academic outcomes, we find that students working multiple jobs have less ability to engage in clubs, organizations, residence halls, and on-campus resources.

**Response #18**

*“The only financial aid I receive are loans. Every year, I’m capped out on my Stafford Loan - both subsidized and unsubsidized. I think it’s really unfortunate that I don’t qualify for grants or scholarships because my parents ‘make enough’ to help me with school. Being in a barely middle-class family really puts me in a tough spot when it comes to financial aid and paying tuition.*

*I think my family’s financial status has significantly impacted my experience at UW. We couldn’t afford to let me live on campus, so I have been commuting all four years. Not living on campus really hindered my college experience. I feel like I have missed out on a lot and had to work harder to be a part of school. It didn’t make sense to try to get private loans or work a ridiculous amount of hours each week to live on campus, even though I badly wanted that experience.*

*Time really is money and commuting is not the life you want to have every day for four years when you’re a college student. A lot of events and other things that are supposed to help you academically (like CLUE) I couldn’t even go to because of commuting.*

*Having to take out loans also impacted my career plans because I was thinking, ‘Ok, what job can I get after college so I can pay back my loans faster?’ and that mindset messed up classes I chose to take and my learning. I tried to stick with courses that weren’t my favorite until I decided to just go and learn what I’m passionate about, even if a career in that field pays a slim salary.*

“Now that I’m close to graduating, it almost feels like college wasn’t college to me. “

*Now that I’m close to graduating, it almost feels like college wasn’t college to me. It felt more like a job because I went to and from it every day... it feels like this \$25K+ in loans I’ve racked up will forever follow me around and I don’t even get to say ‘college was the best experience of my life’ like others can say. I get to say ‘wasted hours every day commuting and now I owe a TON of money for something I didn’t get to fully enjoy.’ Maybe if I didn’t feel like the middle-class squeeze and got better financial aid, I could’ve said college was awesome. “*

Student debt is more than a number. It’s a barrier to success, and it’s creating tiers of access to the University of Washington that harm our mission as a public university.



# The Middle Class Squeeze at the University of Washington

Tuition has nearly doubled since 2008. Many students in the middle class received no new financial aid over that time period. An investigation into example financial aid packages, as well as student stories, shows these students now have significantly more to earn or borrow than a student should reasonably be expected to contribute. Even though many of these students work multiple jobs throughout the year, they still graduate with large amounts of debt.

- 1. STUDENT FINANCIAL AID PROFILES SHOW THE NEED TO EXTEND GRANT AID.
- 2. HUSKY PROMISE STUDENTS ARE NOT GIVEN A 'FREE RIDE' IN THE CURRENT SYSTEM.
- 3. EXPECTED STUDENT CONTRIBUTION VARIES TOO MUCH ACROSS INCOME GROUPS.
- 4. THE EXPECTATION THAT INCREASED FINANCIAL AID WILL COMPENSATE FOR INCREASED TUITION HAS NOT WORKED FOR THE MIDDLE INCOME STUDENT.

**Response #39**      *"I am in the same situation as a lot of working and middle class students--our parents make enough money to where we are given no financial aid...I have acquired \$20,000 in student debt and that will reach \$40,000 by the time I graduate with my bachelor's degree... It has been difficult to balance 2 part time jobs, maintain my 3.8 GPA, and worry about how I am going to afford college and then graduate school."*

The current state of tuition and financial aid at the University of Washington is not sustainable for the working and middle class student.

Consider the following student profiles from the University of Washington Office of Student Financial Aid, which give examples of packages that students might qualify for based on how much their expected family contribution.

## EXPECTED STUDENT CONTRIBUTION, BASED ON ESTIMATED FAMILY

ESTIMATED FAMILY CONTRIBUTION	FAMILY INCOME	COST OF EDUCATION	PELL GRANT	STATE NEED GRANT	INSTITUTIONAL GRANT	EXPECTED STUDENT CONTRIBUTION
0	~30000	27034	5645	10868	519	10002
6000	~62000	27034	0	0	17032	4002
10000	~75000	27034	0	0	6759	10275
12000	~80000	27034	0	0	2703	12331
12001	~80000	27034	0	0	0	15033

*UW Office of Financial Aid presentation to Provost's Advisory Committee for Students*

## **We see three primary takeaways from the amount of financial aid resources available to students.**

**Husky Promise students are not given a ‘free ride’ in the current system**

Consider a student with an Estimated Family Contribution of 0. This student might receive a Pell Grant of \$5,645, a State Need Grant of \$10,868, and Institutional grants amounting to \$519. This leaves \$10,002 in Expected Student Contribution, which is often covered with loans and work. This aligns with what many Husky Promise students will testify to - with the grants they receive, they are only able to afford the full cost of education after working throughout the year, and many of them take out loans as well.

**Expected Student Contribution varies too much across different income levels**

The amount of Expected Student Contribution in each income group presented here ranges from \$4,002 to \$15,033. Such a wide range shows the seemingly arbitrary nature of Expected Student Contribution in the current financial aid system. Resources can be used more effectively if the amount of Expected Student Contribution is set before resources are allocated and then leveled out among income groups. Our vision for Expected Student Contribution is described in more detail in our second recommendation.

**The expectation that increased financial aid will compensate for increased tuition has not worked for the middle income student**

At the University of Washington, there are only enough resources to offer grant aid to students with Estimated Family Contribution of less than \$12,001, or about \$80,000 in Adjusted Gross Family income (before taxes, after deductions). The full cost of a University of Washington education is \$27,034. If a student whose family is in the \$80,000 income bracket works 40 hours/week over summer (for 14 weeks), and 20 hours/week over the school year (for 38 weeks) at Washington minimum wage of \$9.32, they will make \$12,302 before taxes. This leaves \$14,700 per year for the student to cover through a combination of student loans and family income (private scholarships require reporting on the FAFSA and generally raise the EFC). Suppose the student gets all their taxes refunded, but the family was only able to contribute 10% of their gross income, or \$8,000. The student now takes on \$6,700 in loans per year, which is above the subsidized Stafford maximum of \$5,500. This student is among those who balance a taxing work schedule with school, and will graduate with \$26,800 in debt, despite taking every effort to avoid it.

**For many students, this is not an example from a model, but their reality:**

- Response #38**      *"I come from a working middle-class family in Washington. I always knew I would be going to college but my parents impressed on me that I would be the one paying for it. Before college started, I had amassed around \$5,000 in savings, and now in my second year, I am up to \$28,000 in loans."*
- Response #18**      *"The only financial aid I receive are loans. Every year, I'm capped out on my Stafford Loan - both subsidized and unsubsidized. I think it's really unfortunate that I don't qualify for grants or scholarships because my parents 'make enough' to help me with school"*
- Response #36**      *"My experience with financial aid and paying for tuition has been a continuous disaster ... It is really hard balancing family time for my parents, homework time, and work time each day, but I have no choice when it comes to receiving no financial aid due to my household income being over the amount needed to receive financial aid..."*

The background of the page features a photograph of a large, ornate building with a prominent spire, likely a cathedral or university hall, situated behind a lush green lawn. In the foreground, a large, active fountain with multiple water jets is visible. A string of colorful triangular bunting flags stretches across the bottom of the image. The overall scene is captured in a slightly desaturated, purple-tinted style.

# RECOM- MENDA- TIONS



## 1. Establish a consistent Expected Student Contribution to the cost of education that makes it possible to work through school.

We suggest a model where no student's Expected Student Contribution would exceed the amount that they can make working 40 hours per week over the summer and 20 hours per week over the academic year at Washington State minimum wage.

Expected Student Contribution is a concept we developed that represents the amount that the student is expected to contribute after their family contribution, grants, and scholarships are accounted for. Expected Student Contribution is often what a student makes through a combination of loans and working.<sup>6</sup>

Define summer as a period of 12 weeks, the academic year as 38 weeks, and Washington state minimum wage as its current rate of \$9.32. We set the maximum working hours during the academic year at 20 hours per week, as research shows that above this level academic performance is sacrificed.<sup>6</sup> With these definitions in place, we estimate a student could make \$11,556 over the year before taxes. In our model, no student's Expected Student Contribution would exceed that level.


For students, **this is a minimum standard of affordability, as opposed to an ideal.** Even students that reach this level of support, such that their Expected Student Contribution is below \$11,556, are not finding it easy to afford a UW education.

Using a more liberal expectation of 14 weeks of work over summer, with a yearly pre-tax income of \$12,301, estimates from the UW Office of Financial Aid suggest that 3,960 students at the University of Washington have Expected Student Contribution exceeding that level. To us, this means that **3,960 students cannot escape debt in the current system.** We urge the state legislature and higher education institutions to set a goal to bring this number of students to zero.

We are especially optimistic about the ability to reach this goal through the full funding of the State Need Grant. The UW uses institutional funds to fill the current gap in State Need Grant funding, so full funding from the State would allow us to use those resources to extend aid into the middle class.

We developed our model of setting a cap on Expected Student Contribution because we believe affordability should be tied to the ability to work through school. Students are not able to do this under current tuition and financial aid policy. A student would have to work 54 hours per week year-round at Washington minimum wage in order to fully fund their own education. This is not a reasonable expectation.

A student would have to work 54 hours per week year-round at Washington minimum wage in order to fully fund their own education.



Additionally, students are already trying to cover expenses through working. The 2011 National Survey for Student Engagement for University of Washington students showed that 73% of seniors were working through school, with 26% of those for more than 20 hours per week.<sup>7</sup>

Our proposal sets an attainable expectation for shared responsibility for higher education between all stakeholders.

This model allows for predictability in the amount that students need to contribute to their education. If embraced, Washington State will send the message to students that **anyone who works through school will be able to graduate without overwhelming student debt. Washington State will show students that higher education is on an attainable path to affordability.**

## **2. Redistribute existing financial aid resources so that the lowest income student has the lowest Expected Student Contribution.**

We believe that financial aid should be allocated after first setting a reasonable level of Expected Student Contribution, and then allocating resources such that no student's Expected Student Contribution exceeds that level. To reach this goal, the UW should redistribute existing financial aid resources so that the lowest income student has the lowest Expected Student Contribution.

The current financial aid policy at UW makes little distinction between a family making nothing in yearly income and a family with an Estimated Family Contribution of \$6000 (a yearly income of about \$60,000-\$70,000) in terms of total grants allocated; both will receive about \$17,032 in grants each year from various sources. Based on the current \$27,034 cost of education, the Expected Student Contribution for the student with no family contribution is \$10,002, while the Expected Student Contribution for the student with an Estimated Family Contribution of \$6000 is \$4,002. We think the Expected Student Contribution for the lower income student should be lower than the Expected Student Contribution for the higher income student.

A possible implementation of this redistribution would be to smooth out Expected Student Contribution such that a student with an Estimated Family Contribution of 0 has the minimum level, and no student has Expected Student Contribution that is higher than our proposed maximum from our first recommendation.

This redistribution of resources has the potential to make the current financial aid policy more simple for students to understand, maintain the University's strong commitment to Husky Promise, and increase aid available for the middle class.

### 3. Consider the success of State and institutional financial aid for more income brackets.

Financial aid reporting to the Washington state legislature should include more income groups, and all policy researchers need to give more attention to the effect of tuition increases on students in the middle class.

**Our work and the work of others demonstrate that there is a need to investigate affordability by income group more closely.** Washington law provides that institutions must report the impact of tuition increases for families making less than 75% of MFI, 75%-125% of MFI, and above 125% of MFI.<sup>8</sup> As a result, we found that the most recent Council of Presidents report on financial aid outcomes did not give a clear enough picture of the impact of tuition on each income group, as family incomes of \$70,000 and higher were all grouped together.<sup>9</sup>

In addition, The Washington Student Achievement Council's Affordability report defined that unmet need (similar to what we call Expected Student Contribution) is greatest among low-income students—but only compared 0-70% of MFI and above 70% of MFI.<sup>10</sup>

We understand that resources are constrained in reports and policy research, but our experience shows that there are real issues in affordability, and large amounts of unmet need and therefore Expected Student Contribution, in groups above these income levels. We emphasize at this time that we do not feel lower-income groups are given undue emphasis in either resources or research, but that there is simply a need to extend both to middle-income and even upper middle-income groups.

State policymakers should consider more detailed information on the success of financial aid programs by more specific income groups. The University of Washington has begun this process through the Enrollment Management Advisory Committee, which is taking a close look at how to extend aid to more middle income students while maintaining strong support for the neediest students. We encourage efforts like this one and support other groups like the Achievement Council in building a clearer picture of student affordability.

## 4. Bridge the Gap between Financial Aid and Financial Aid Literacy

We recommend targeting improved understanding of loan terms, loan repayment, and the difference between federal and private loans as goals for financial aid literacy programs.

*“I was never made aware of the FAFSA process or how beneficial it could be to fill one out, so I am just learning, in my third year, that I am eligible for aid. Some of this is my own fault for not being proactive, but even for things like working some jobs on campus FAFSAs are required, so that should be made clear to all.*

*Overall, I am satisfied with what I have received, but could have much less debt if I had known the significance of a FAFSA early on.”*

We applaud the efforts of groups like the Washington Student Achievement Council in developing resources such as Ready Set Grad, and in the UW financial aid office for making themselves readily available for in-person counseling. We feel there is even more opportunity to improve proactive communication to students in paying for an education.

We find the most consistent issues in understanding loan terms. 48% of the loan-taking students that filled out our survey indicated they are not confident in their knowledge of the loan repayment process. National data suggests that 65% of high-debt student borrowers were shocked or surprised by some aspect of their student loan upon graduation, and 66% did not understand the difference between federal and private loans.<sup>11</sup>

48% of loan-taking students indicated they are not confident in their knowledge of the loan repayment process.

We also found in our survey results that only 22% of people who did not fill out the FAFSA indicated they chose not to do so because they did not need the aid. The majority (61%) of students surveyed who did not fill out the FAFSA did not do so because they thought they would not receive any aid. This may be accurate based on the current level of resources available, but it's likely that filling out a FAFSA would qualify them for better loans and scholarships than otherwise available.

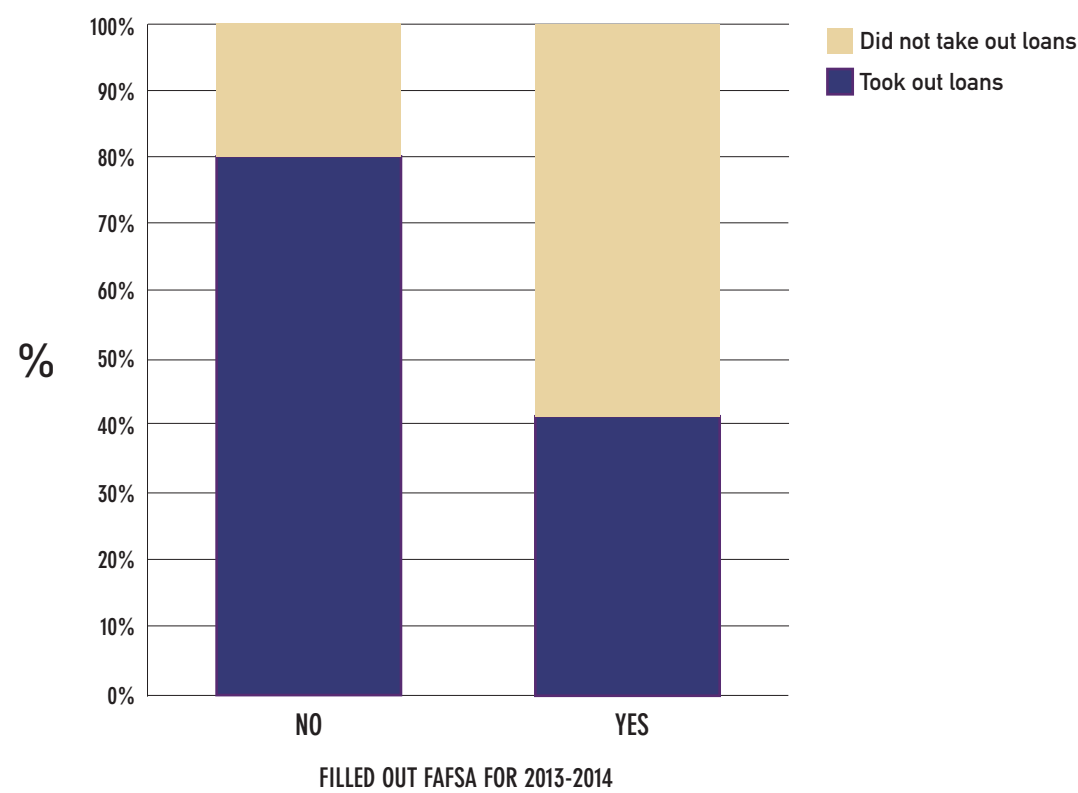
There is a need to build understanding that federal loans are almost always preferable to private loans. According to the Consumer Financial Protection Bureau, many private loan borrowers took out private loans without exhausting what they could take out in federal loans. Many of these borrowers reported that they did not know Federal loans have more flexible repayment options.<sup>11</sup>



The below graph, generated from our survey of nearly 400 students, indicates a negative relationship between filling out FAFSA and taking out loans. Notably, those that did not file a FAFSA took out more loans than those who did choose to file a FAFSA.

FILING FAFSA V. % STUDENTS TAKING OUT LOANS

Source: ASUW Student Debt Reduction Working Group survey data



These data suggest there is a significant group of students who are not filling out a FAFSA that would benefit from doing so.



In our survey, we asked what tools would help in understanding financial aid resources more clearly. Here are some of the responses:

**Improvement & Expansion of  
UWs Office of Financial Aid**

- “An interactive webpage that described each part of the FAFSA and how it impacts your aid”
- “A longer financial aid session to talk with an officer, and a more user-friendly website”

**More Proactive & Readily  
Available Financial Aid  
Information**

- “A guide on the financial aid process that’s easily understandable to students.”
- “A breakdown on the different types of loans.”
- “A financial aid seminar or presentation that shows the different financial aid resources available to us”
- “Financial literacy early on, specifically loan literacy, (e.g. in high school).”

**Student-specific Resources**

- “Webpage that tells me how much I owe.”
- “Student peer mentoring on financial aid process and budgeting.”

While many of these resources already exist, these are the types of tools that students suggested would be most helpful. We leave it up to financial aid administrators and other educators to determine which of these ideas, if any, are most feasible for implementation.


One area that we feel is under-developed at the University of Washington is integrating academic planning with financial planning. The two are already interrelated: if a student determines from their academic plan that they will need to take another quarter, that has financial implications.

Tools like UW’s MyPlan, which is used for charting out which courses students will take each quarter to complete their majors, could include a plan for how much to take in loans that quarter based on what that student is likely to qualify for. This will give students a sense of how much loan debt they will have by the end of their college career.

**Financial aid literacy can’t increase the resources in the system, but it can make those resources more effective.** We hope to see continued effort from the entire Washington higher education community to improve understanding of financial aid and student debt.



# CON- CLU- SION



Working and middle class students and families can no longer shoulder the full cost of education at the University of Washington. It is time for a fundamental shift in the allocation of State and institutional dollars in order to level out and minimize the Estimated Student Contribution. College is not affordable until all students can earn enough wages in a given year to pay their share.

Students are willing to share responsibility for the cost higher education, but when students work multiple jobs while accruing significant debt, the students' share is too high. We call on all decision-makers in Washington State higher education to ease the burden on students and make it possible to work through school again.



## Endnotes

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