

Trends in Pricing and Discounting at CCCU Institutions

CCCU Forum on Christian Higher Education

February 26, 2010 – Atlanta, Georgia

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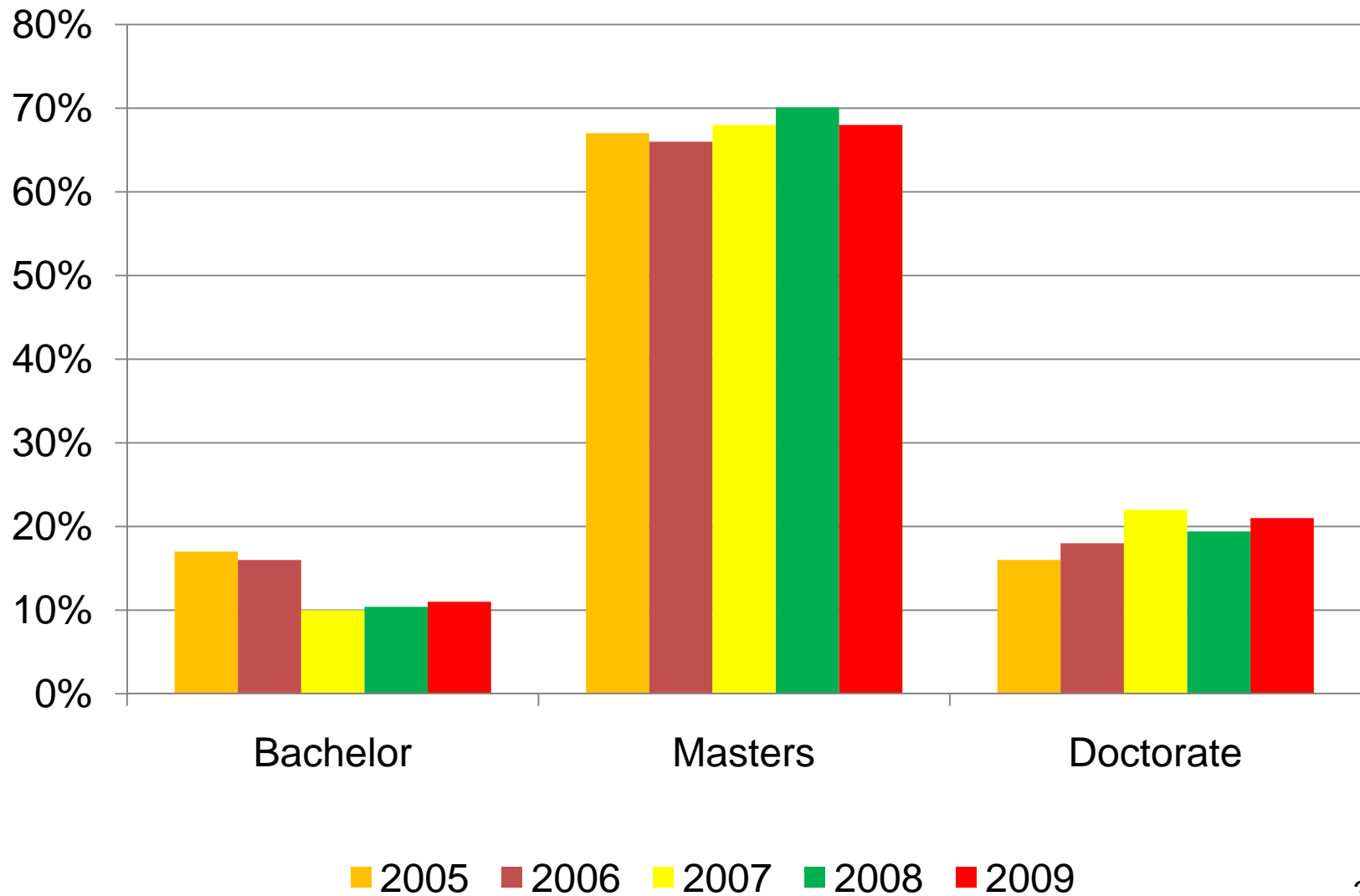
Profile of Responding Schools

- 63 Schools Responded in 2009
- CCCU Members
 - Regular 90% (57/63)
 - Affiliate 10% (6/63)
- 111 Schools have participated at some point in the last 11 years
- 34 Schools have participated in the 5 most recent CCCU Financial Aid surveys
- 16 Schools have participated in all 11 CCCU Fin Aid surveys!

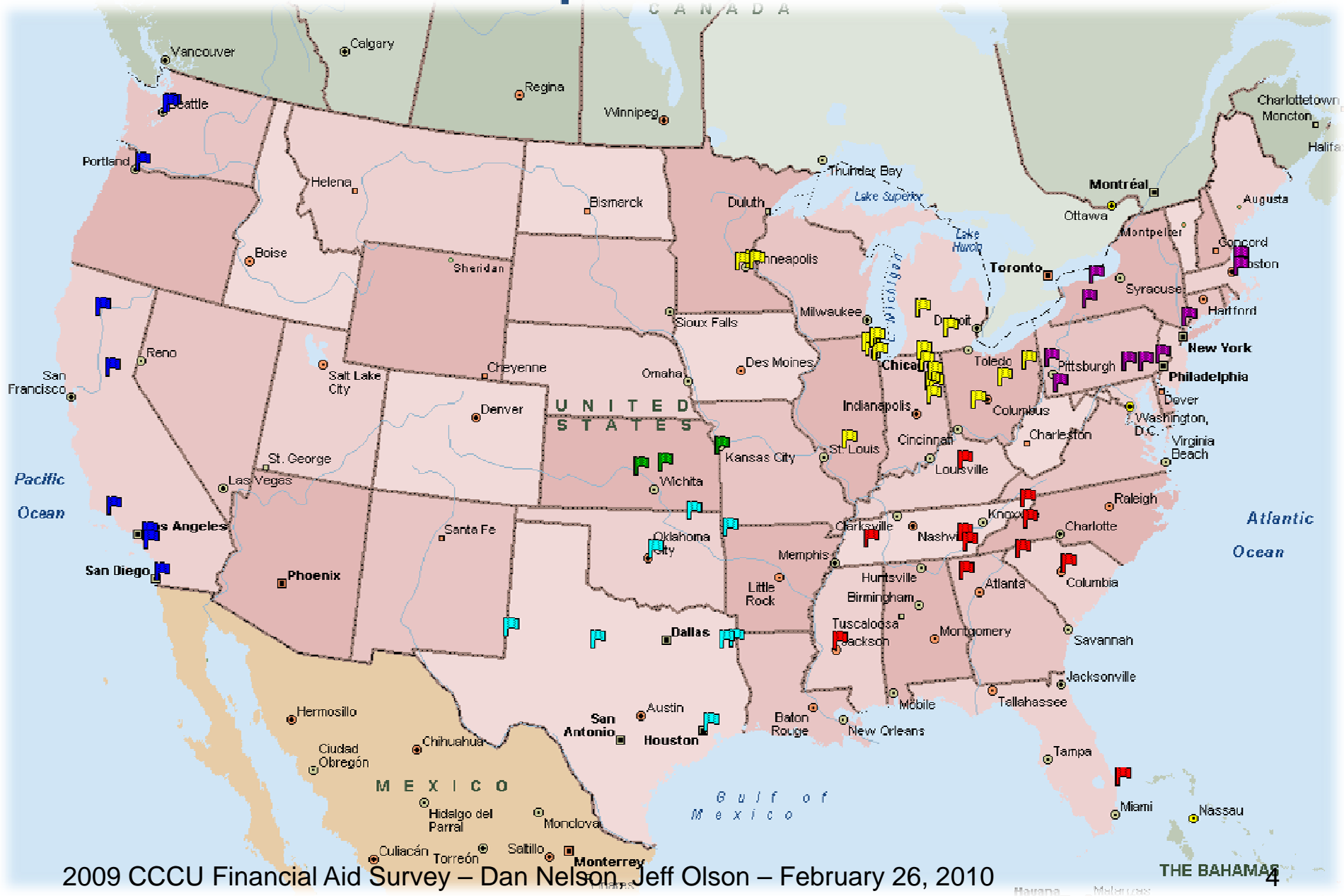




Highest Degree Offered

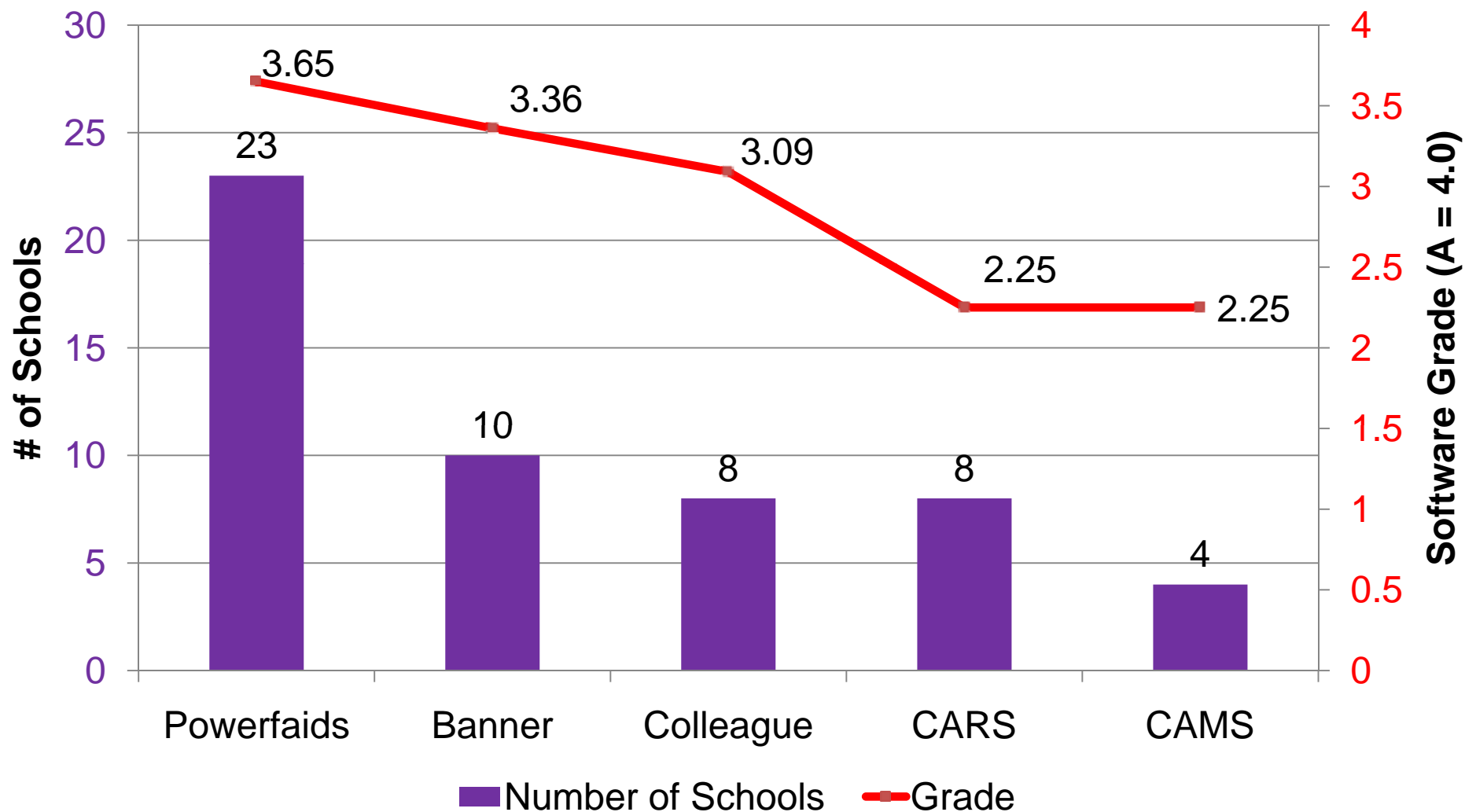


63 Participants – Dec '09

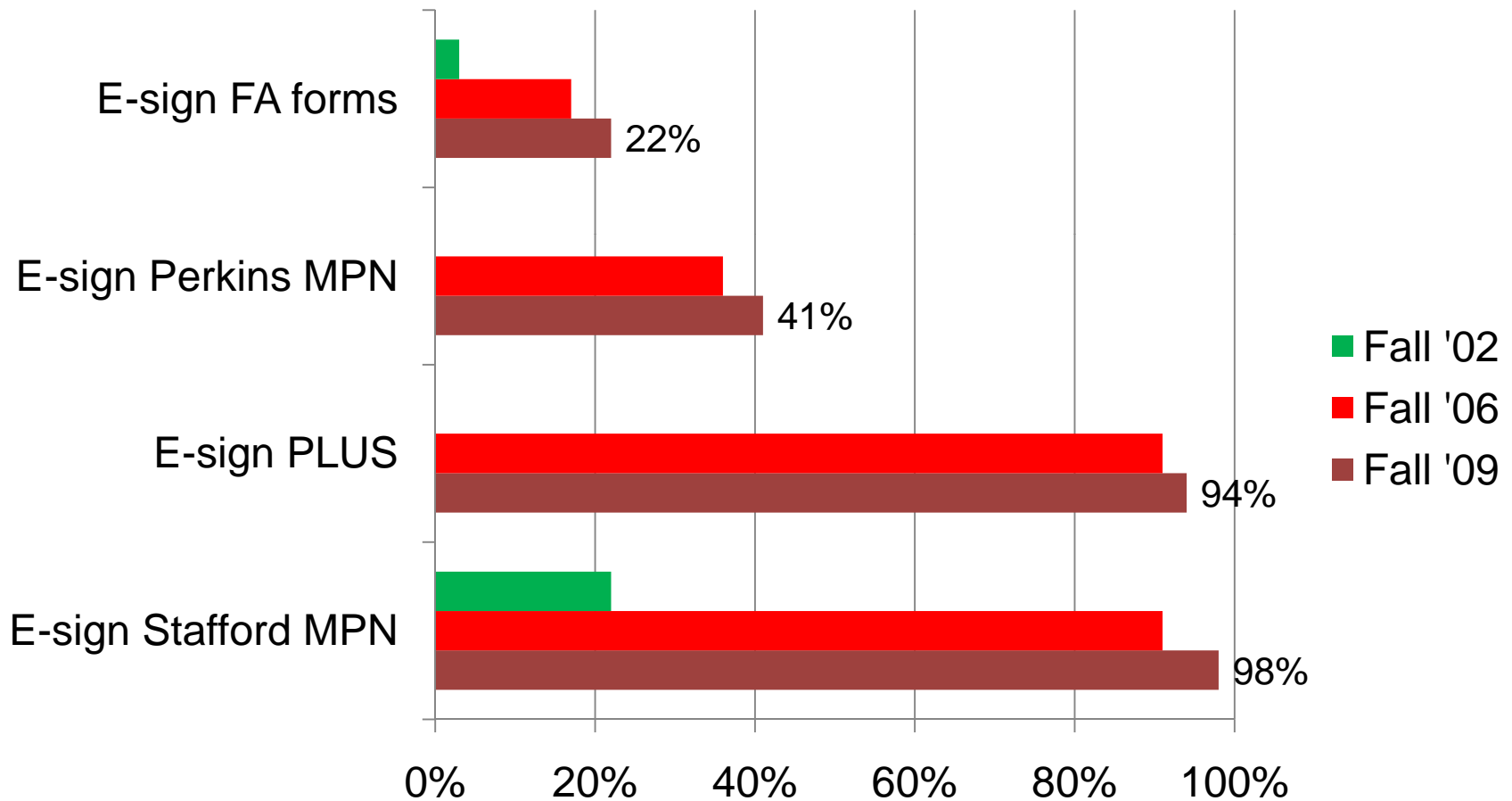


Financial Aid Software

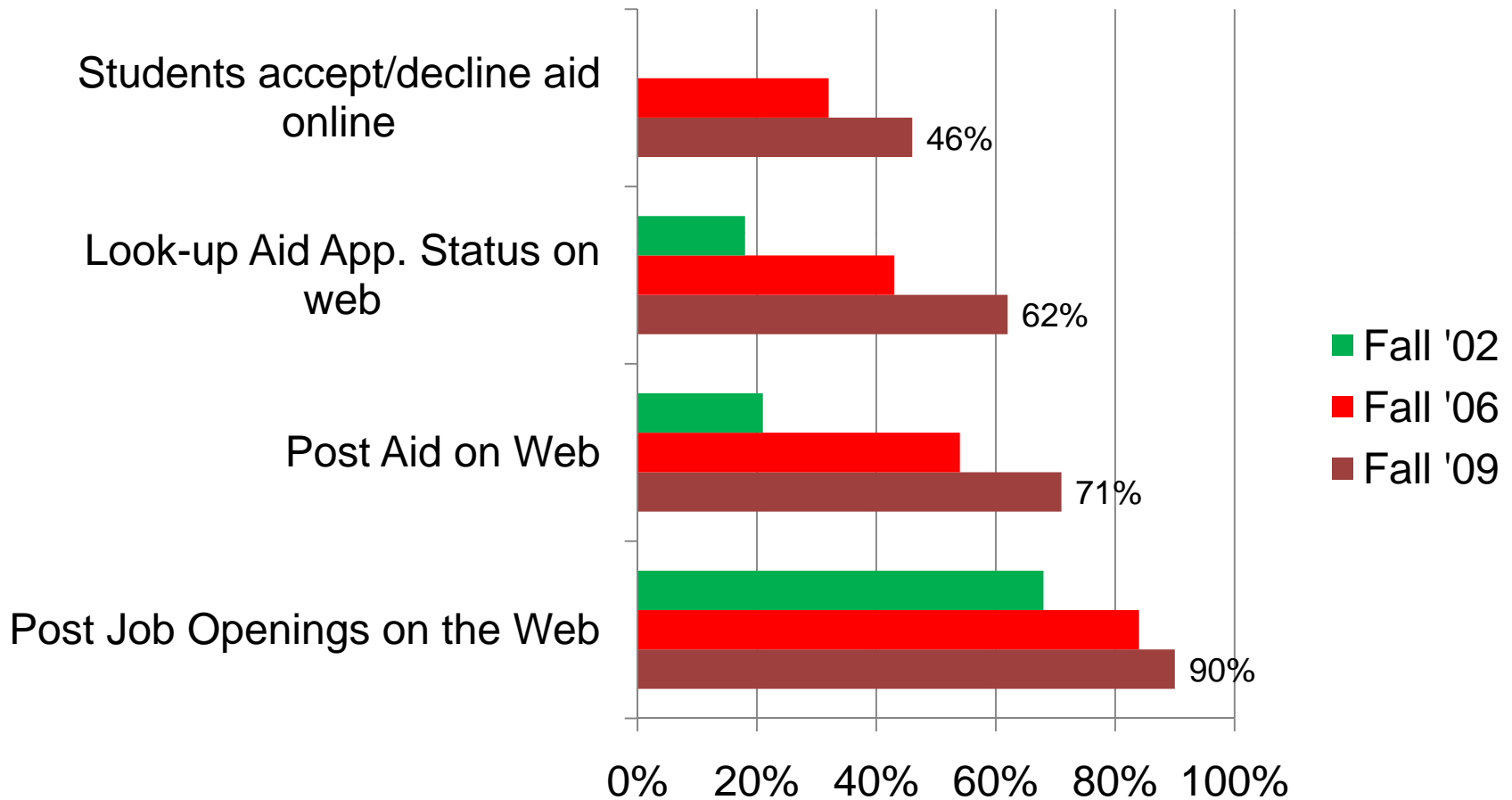
Top 5 Vendors (84%), Dec '09



Electronic Signatures (currently using)



Student Web Access (currently using)



Federal Loan Programs – 2009

Direct Loan (DL) or FFELP?	Number	Percent	Running Total	
Participating in DL prior to Fall '08	16	5	7.9%	7.9%
Switched from FFELP to DL for Fall '08		5	7.9%	15.8%
Switched from FFELP to DL for Fall '09		6	9.5%	25.3%
Plan to switch from FFELP to DL for Fall '10	17	17	27.0%	52.3%
May switch from FFELP to DL for Fall '10	14	14	22.2%	74.5%
May switch from FFELP to DL for Fall '11 or beyond	16	4	6.3%	80.8%
Will remain in FFELP		12	19.0%	99.8%

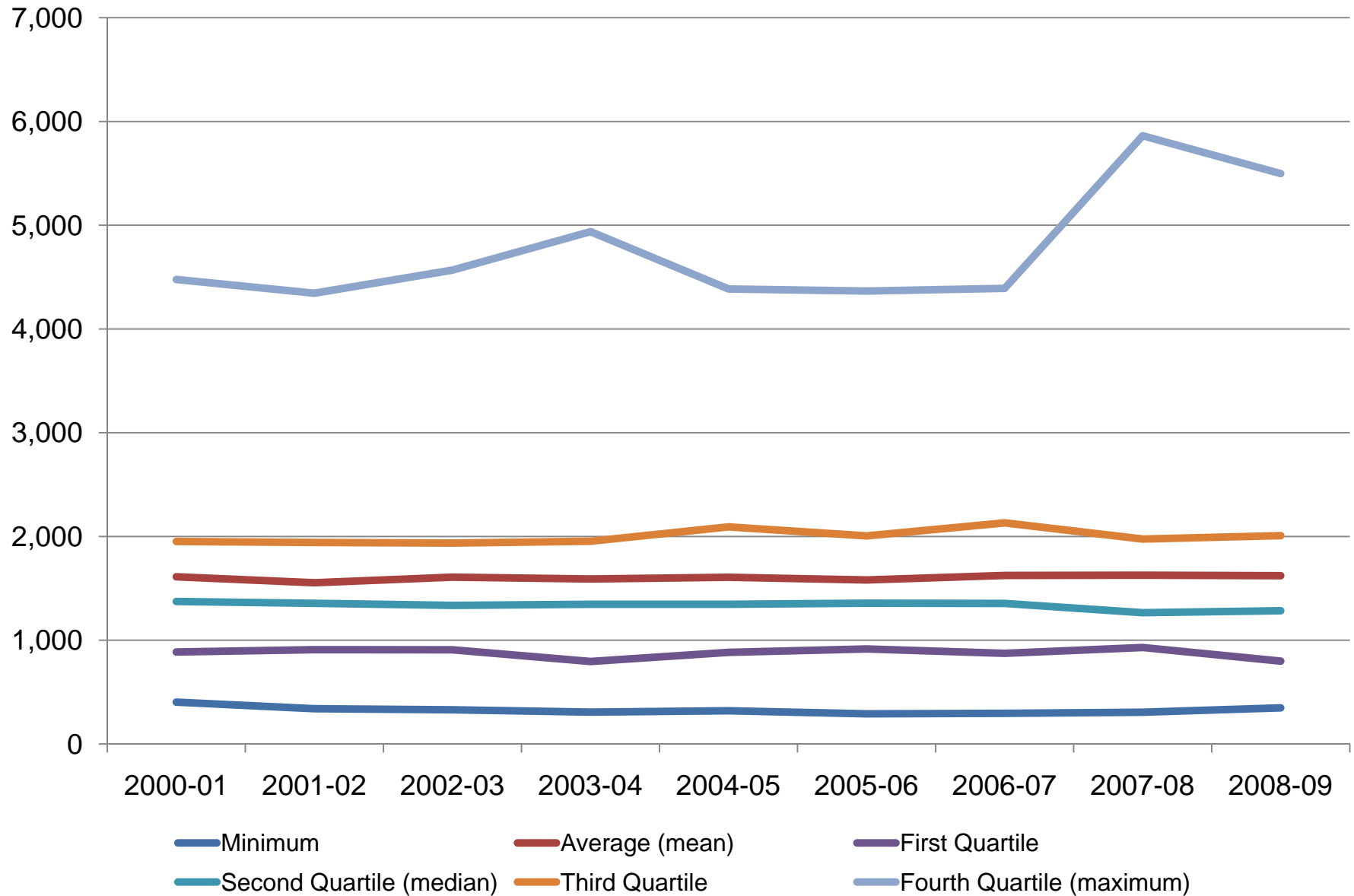


2008-'09 Enrollment

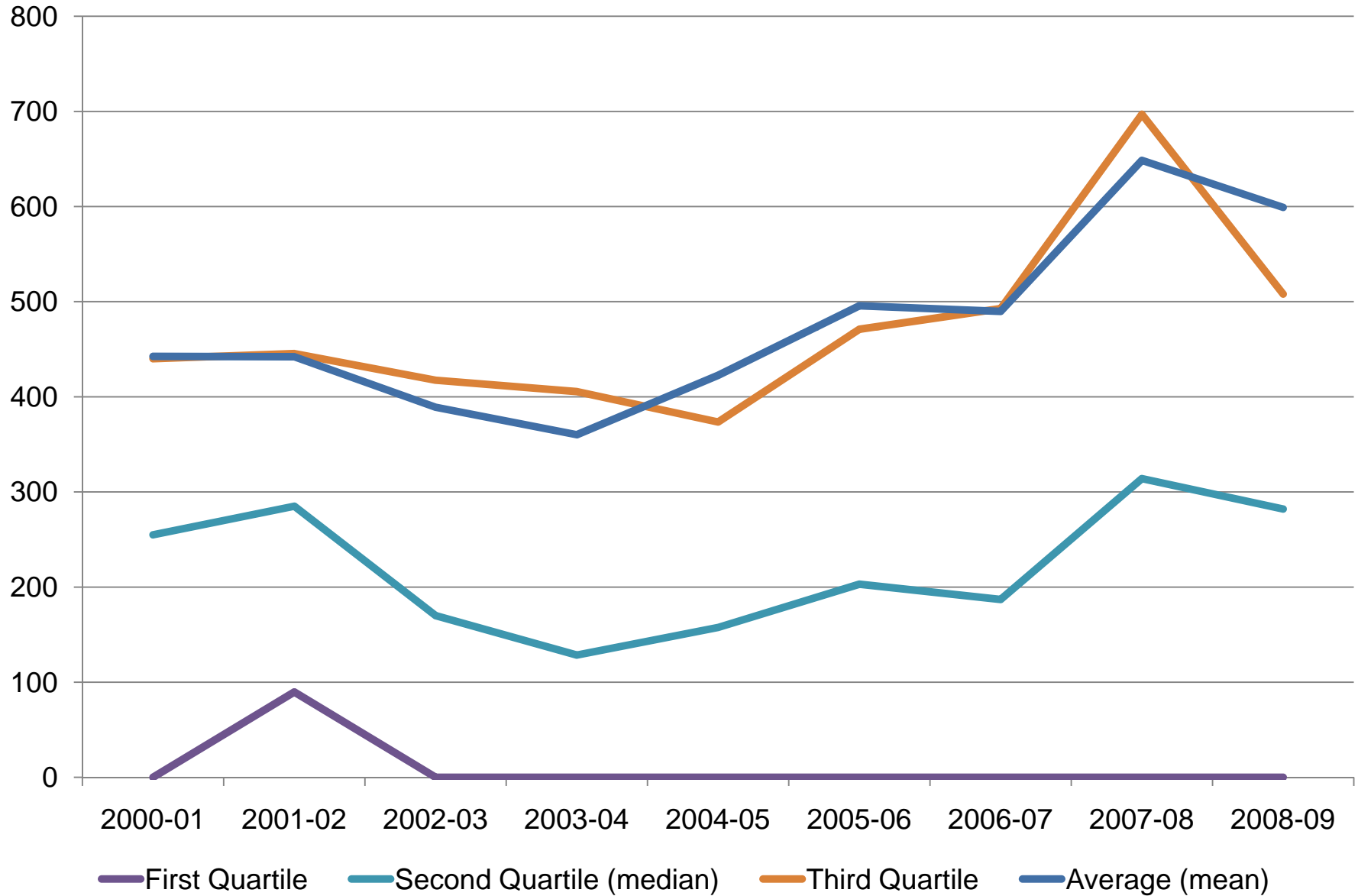


- Of the 63 respondents:
 - 44 (70%) report non-traditional undergrads
 - 54 (86%) report graduate students
- Total F'08 undergraduate enrollment in traditional programs was 93,509 (for the 63 reporting schools).
- Total year grad and undergrad enrollment was 184,264 (as reported on FISAP)

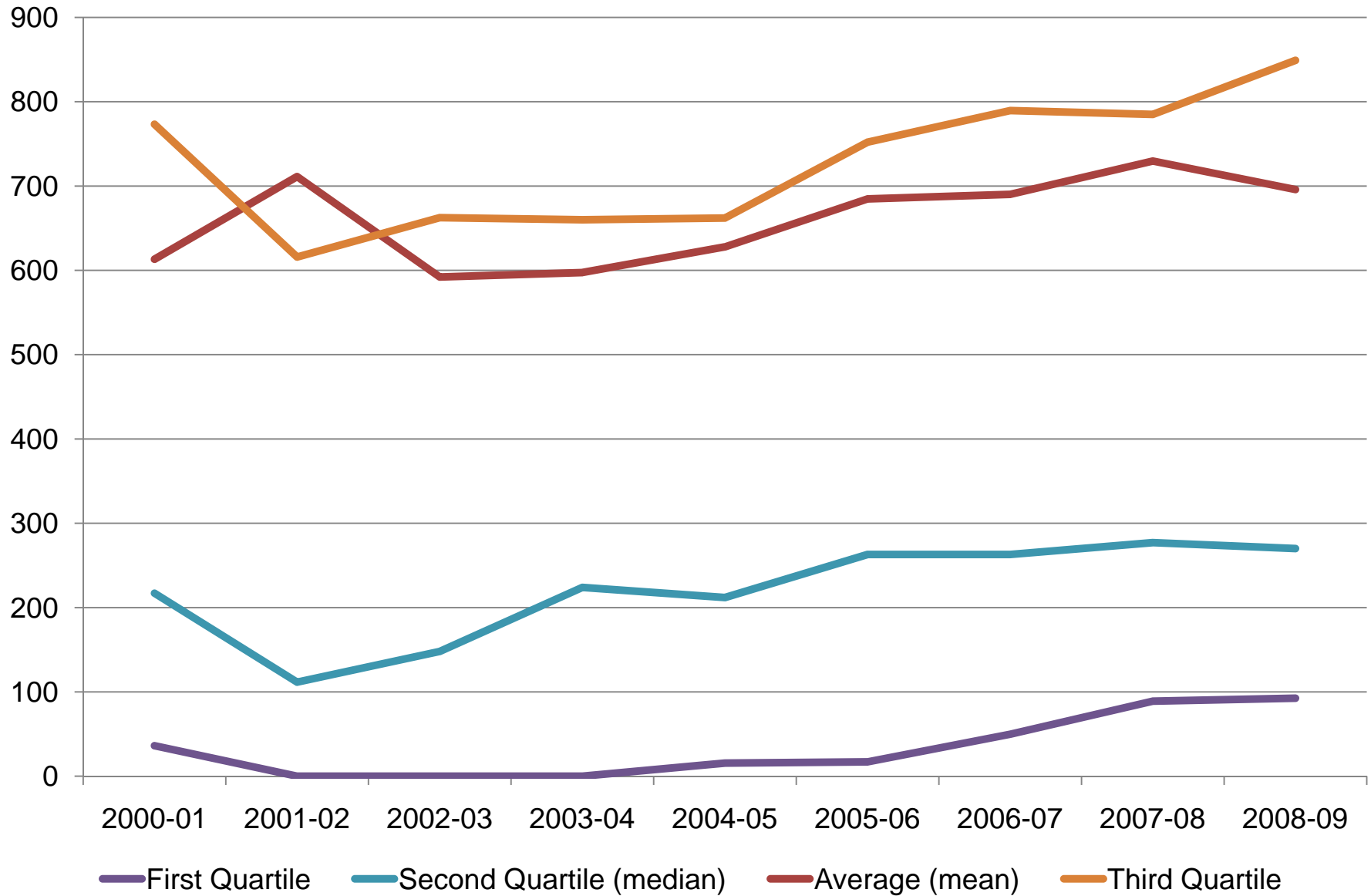
Traditional Undergraduate Enrollment



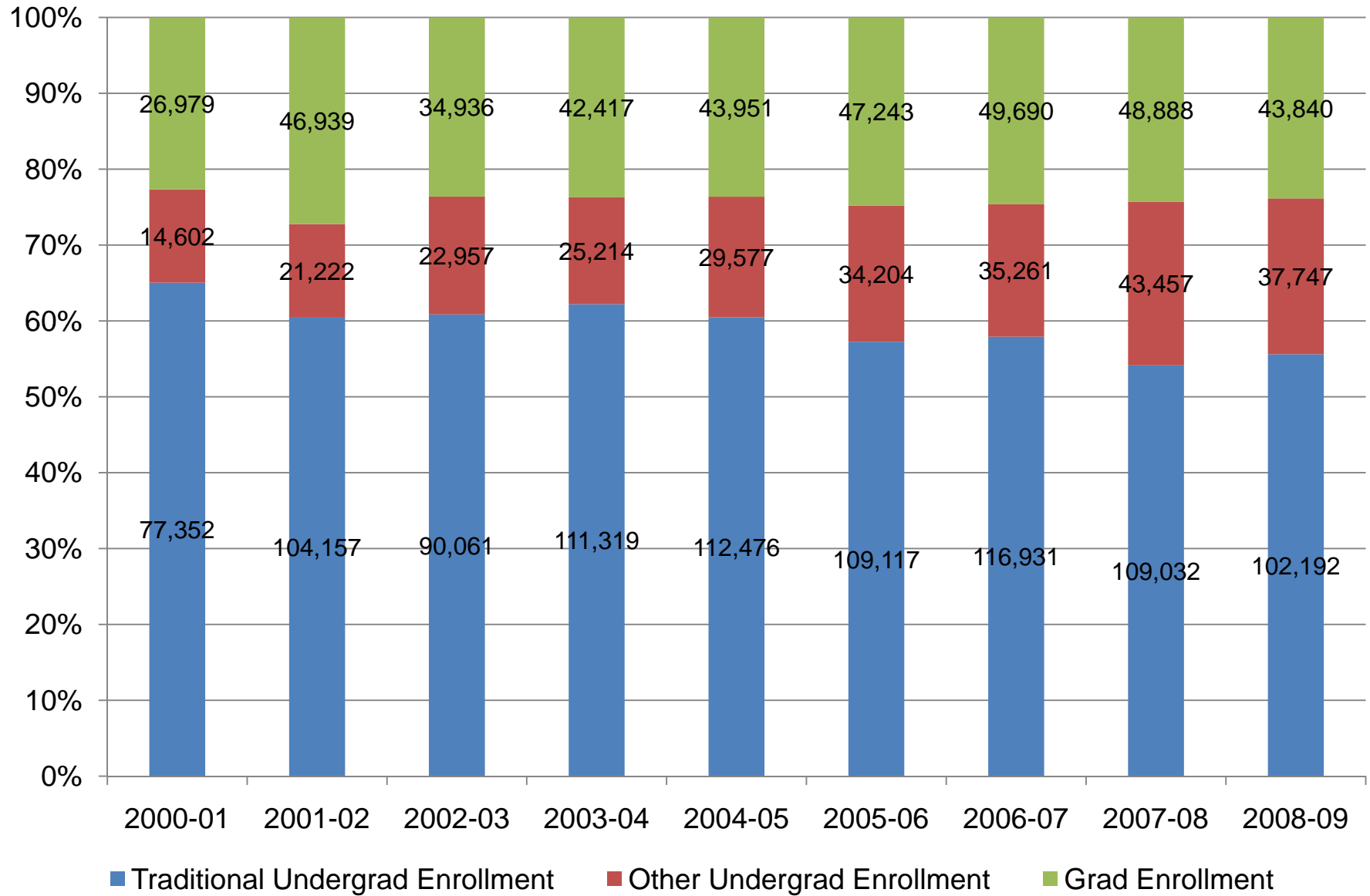
Other Undergraduate Enrollment



Graduate Enrollment



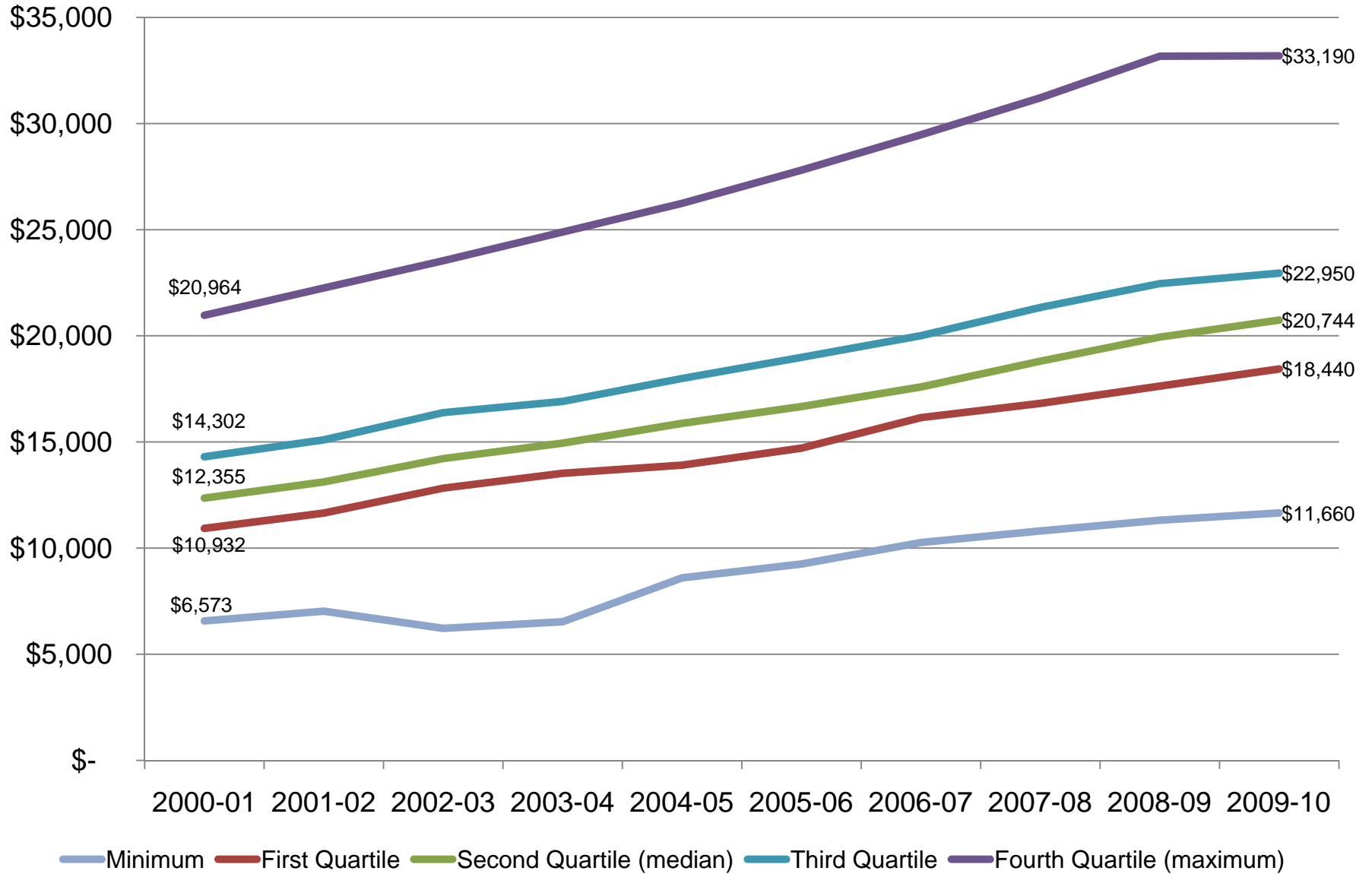
Total Enrollment - All Respondents



Tuition & Fee Changes 2008-09 to 2009-10

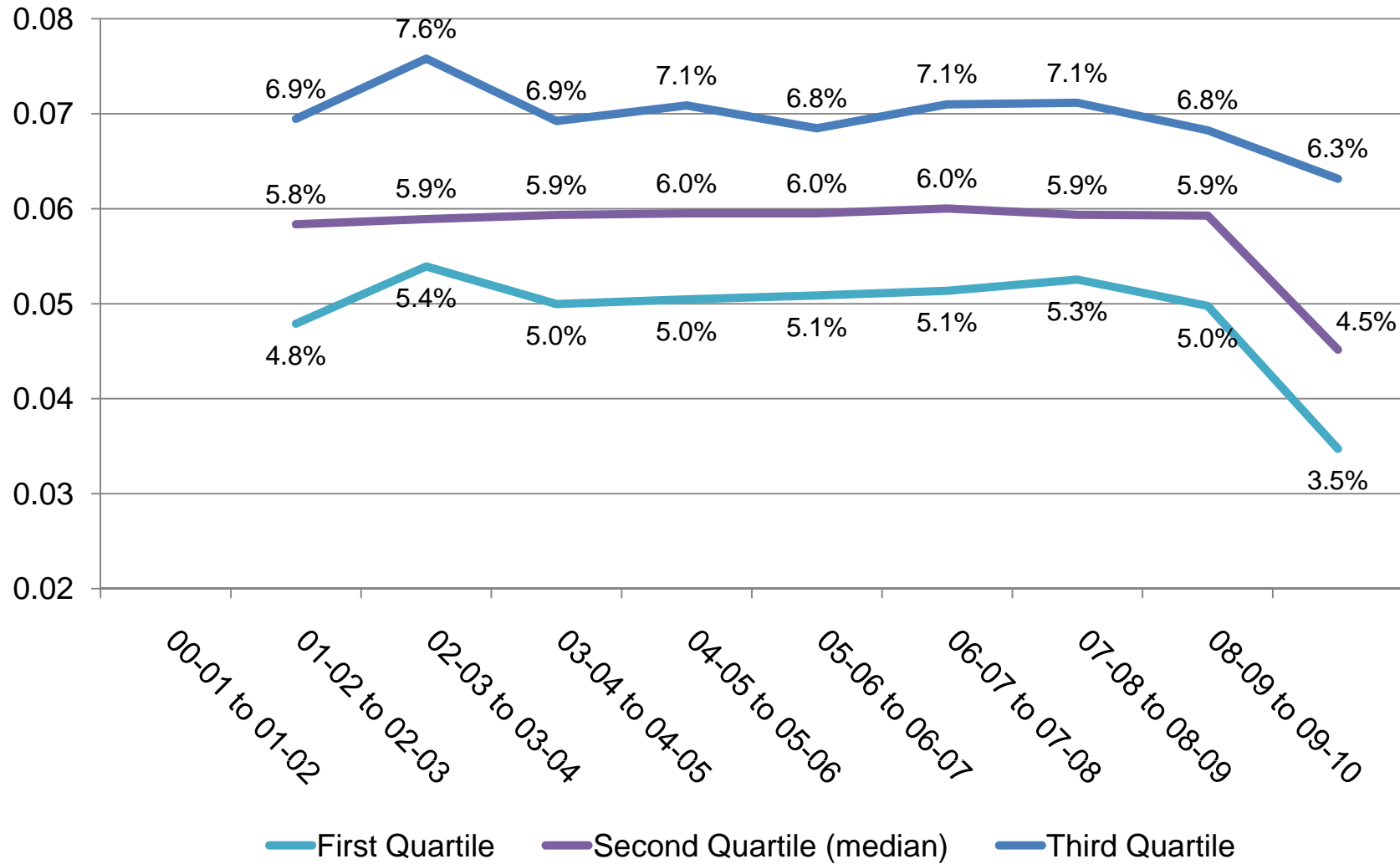
- Tuition and Fees at 63 reporting schools increased from an average of \$19,997 to \$20,864 (4.5%).
 - ¼ increased tuition by 3.5% or less
 - 6 schools froze or decreased tuition.
 - ¼ increased tuition by 3.6% to 4.5%
 - ¼ increased tuition by 4.6% to 6.3 %
 - ¼ increased by more than 6.3%
 - 4 schools reported increases of 8% or greater

Tuition and Fees

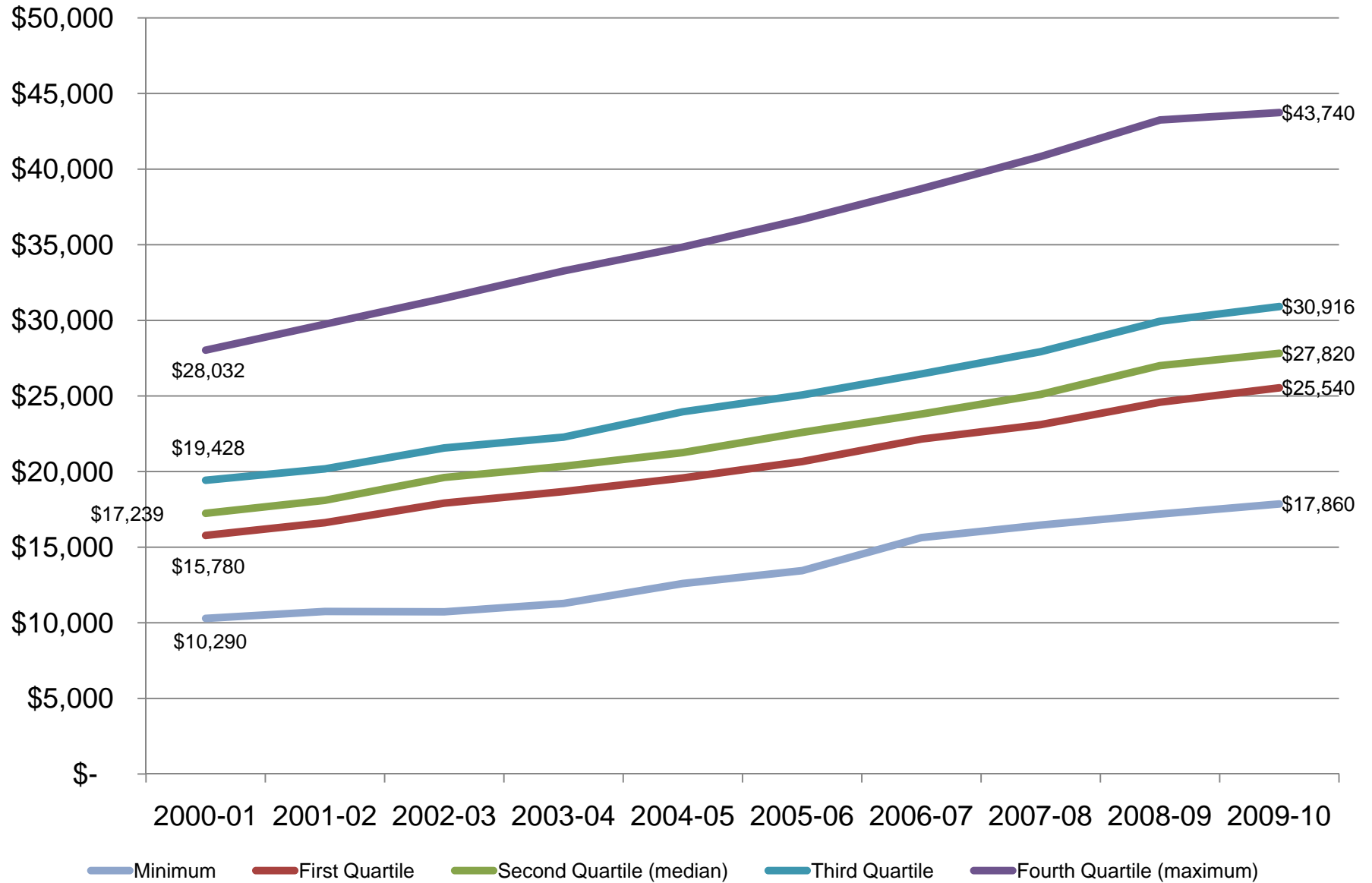


Year over Year Change in Tuition & Fees for Traditional Undergraduate Programs

(Based on Average % Changes in Tuition & Fees)



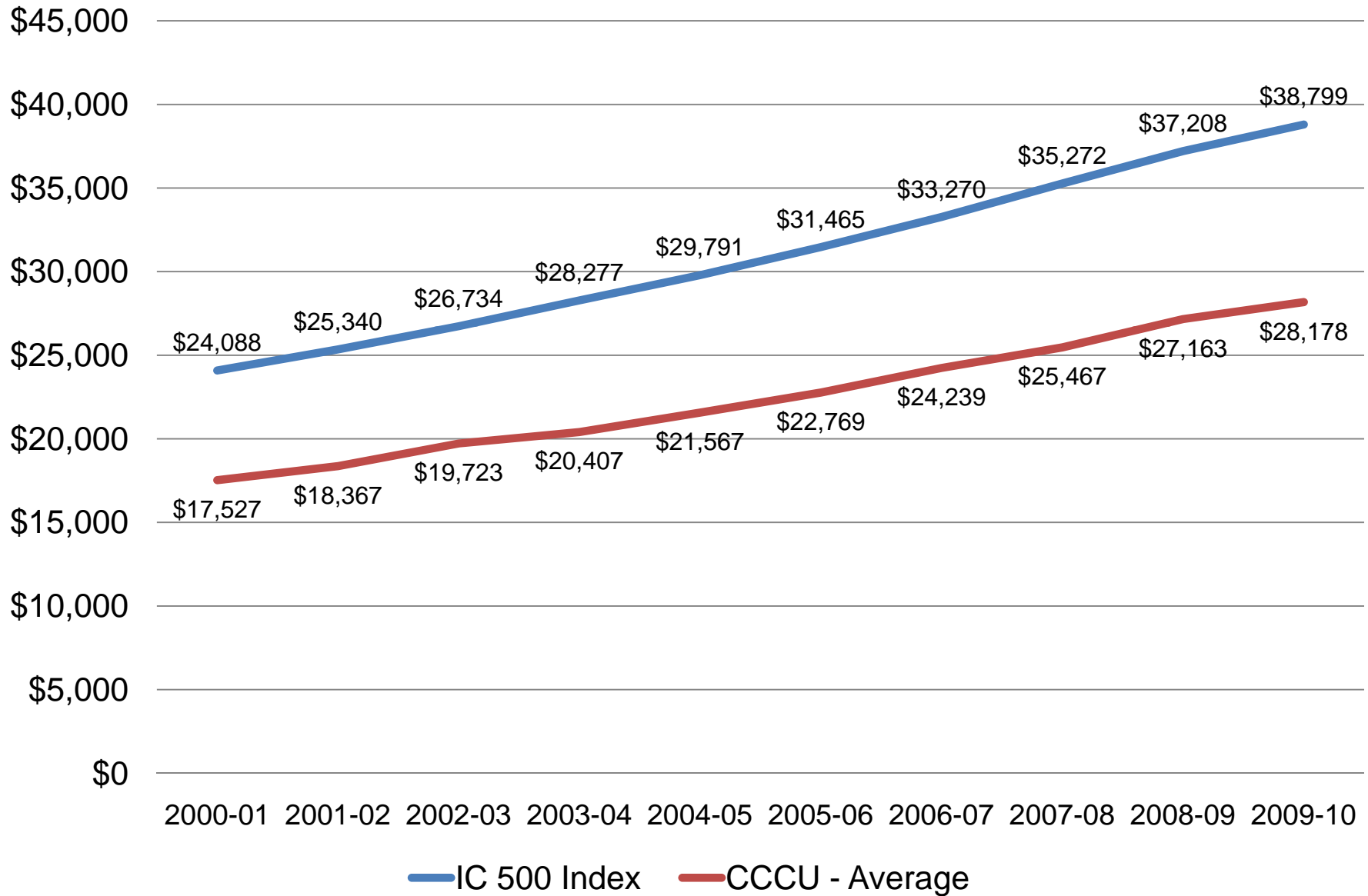
Tuition, Fees, Room, and Board



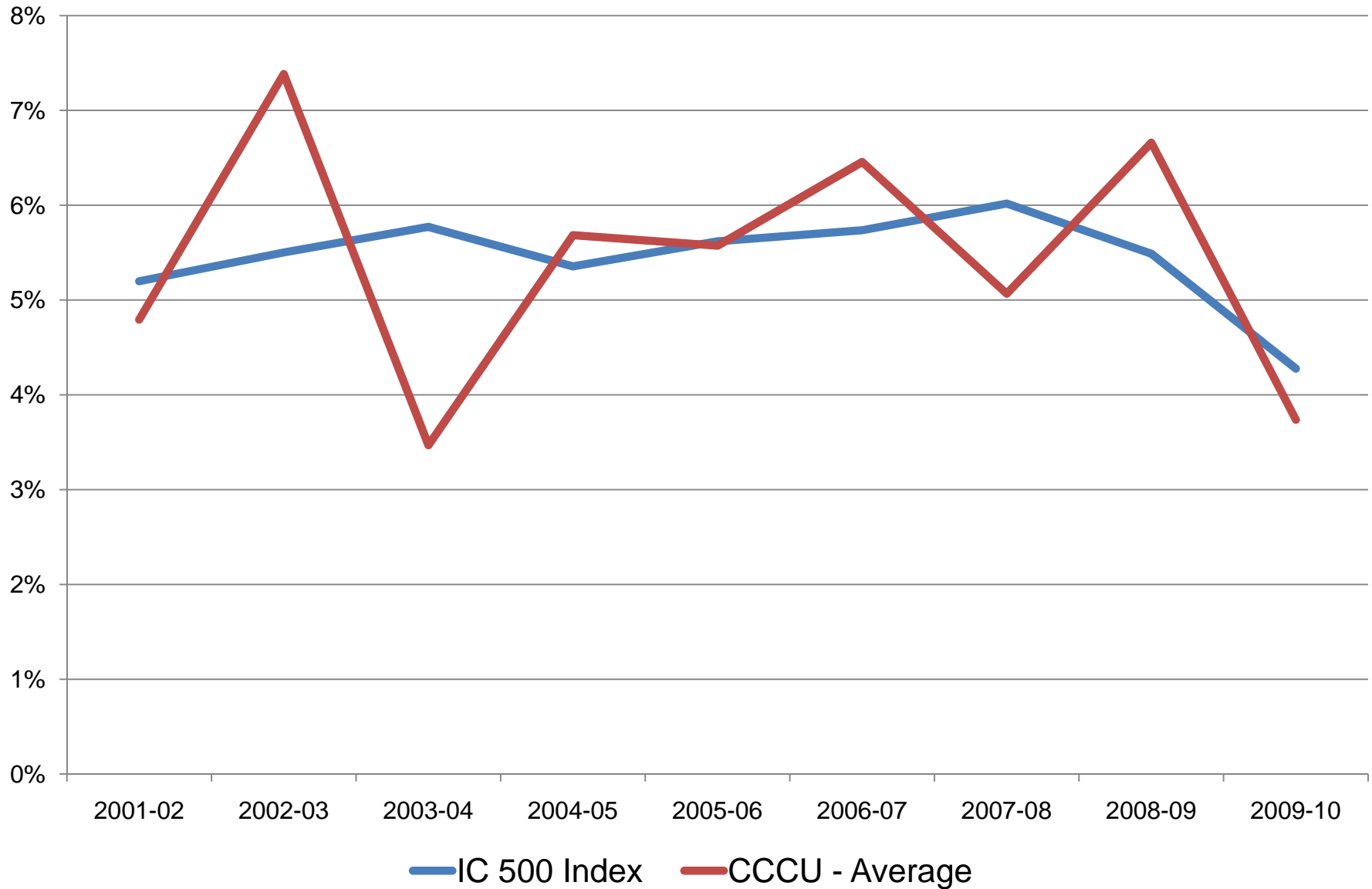
Independent College Index (I-500)

- The IC 500 is a College Board invention, tracking the tuition, fees, room and board at the 500 highest priced independent colleges in the nation over time - mid-'80's to present

Tuition, Fees, Room & Board Trends: CCCU Surveyed Institutions compared with IC 500 Index



Annual Change in Tuition, Fees, Room & Board CCCU Surveyed Schools compared with National Average



Graduate Tuition & Fee Changes 2008-09 to 2009-10

- Tuition and Fees at 49 reporting schools increased from an average of \$9,770 to \$10,122 (4.1%).
 - ¼ increased tuition by 0% or less 0-3.5%
 - 2 schools decreased tuition.
 - ¼ increased tuition by 1.7% to 3.3% 3.6-4.5%
 - ¼ increased tuition by 3.4% to 6.3% 4.6-6.3%
 - ¼ increased by more than 6.3% 6.4+%
 - 4 schools reported increases of 10% or greater

2009-10 Graduate Tuition Rates per Semester Credit Hour

Program	Minimum	Average	Maximum
Certificate	\$270	\$441	\$615
Doctorate - Education	\$445	\$567	\$938
Doctorate - Ministry	\$385	\$512	\$831
Doctorate - Other	\$425	\$646	\$780
Doctorate - Pharmacy	\$800	\$800	\$800
Doctorate - Psychology	\$700	\$829	\$951

2009-10 Master's Degree Tuition Rates per Semester Credit Hour

Program	Minimum	Average	Maximum
Business	\$355	\$677	\$1,026
Counseling	\$335	\$471	\$625
Education	\$300	\$487	\$728
Leadership	\$330	\$474	\$625
M.Div	\$135	\$408	\$620
Ministry	\$345	\$161	\$404
Music	\$320	\$413	\$500
Nursing	\$400	\$522	\$702
Other	\$344	\$500	\$854
Psychology	\$586	\$630	\$674
Religious Studies	\$300	\$449	\$620
Social Work	\$586	\$586	\$586
Unknown/General	\$405	\$480	\$630

Pricing and Discounting of Graduate Tuition

Schools were asked to compare tuition, pricing, and institutional financial aid (discount) for their graduate and undergraduate programs.

Graduate Programs	Graduate Tuition Lower	Tuition Same	Graduate Tuition Higher	Sum
No Discount	21 (39.6%)	0	4 (7.5%)	47.1%
Graduate Discount Lower (25 schools)	20 (37.7%)	2 (3.8%)	3 (5.7%)	47.2%
Same as Undergrad	2 (3.8%)	0	0	3.8%
Graduate Discount Higher	1 (1.9%)	0	0	1.9%
Sum	44 (83.0%)	2 (3.8%)	7 (13.2%)	

Why Discount Tuition?

Primary Tool to Measure Ability to Pay?

FAFSA: Expected Family Contribution (EFC)

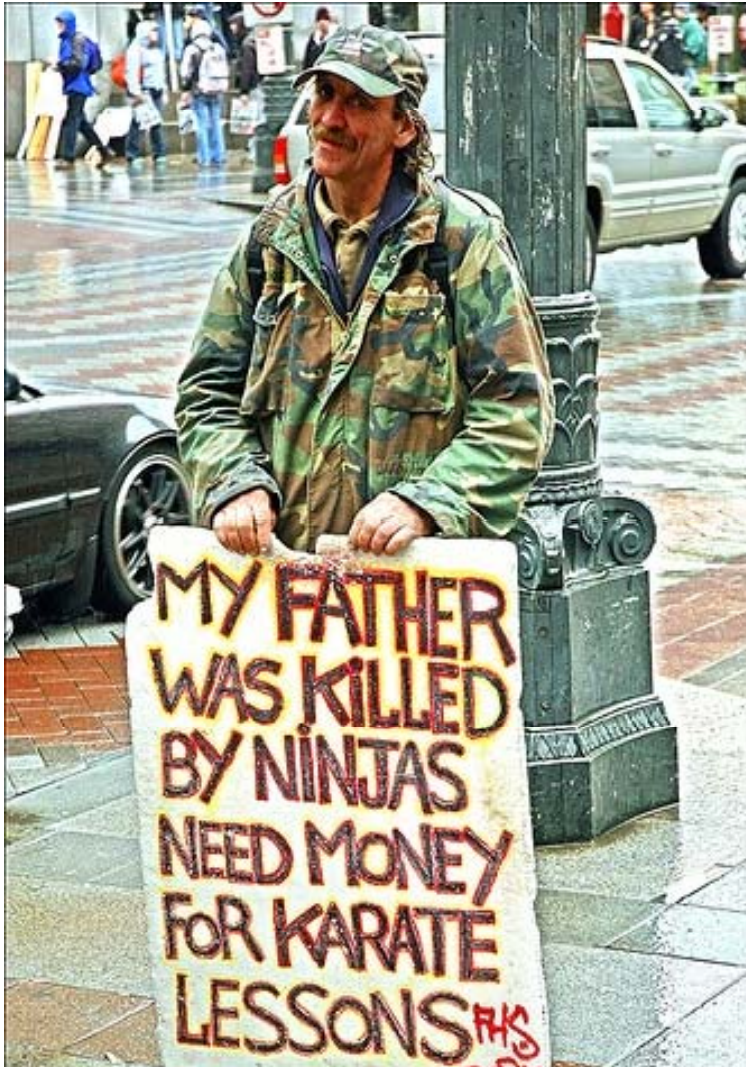
	Student A	Student B	Student C
Family Size	3	4	4
# in College	1	2	1
Parents' Adjusted Gross Income	\$25,503	\$101,482	\$117,972
Parents' assets on FAFSA	Not applicable	Not applicable	\$500,000
Expected Family Contribution (EFC)	600	20% 10,065	50% 55,004

Documented Financial Need

Formula	Student A	Student B	Student C
Cost of Attendance	36,900	36,900	36,900
Minus “Expected Family Contribution”	600	10,065	55,004
= Documented Need	36,300	26,835	(18,104) = no need

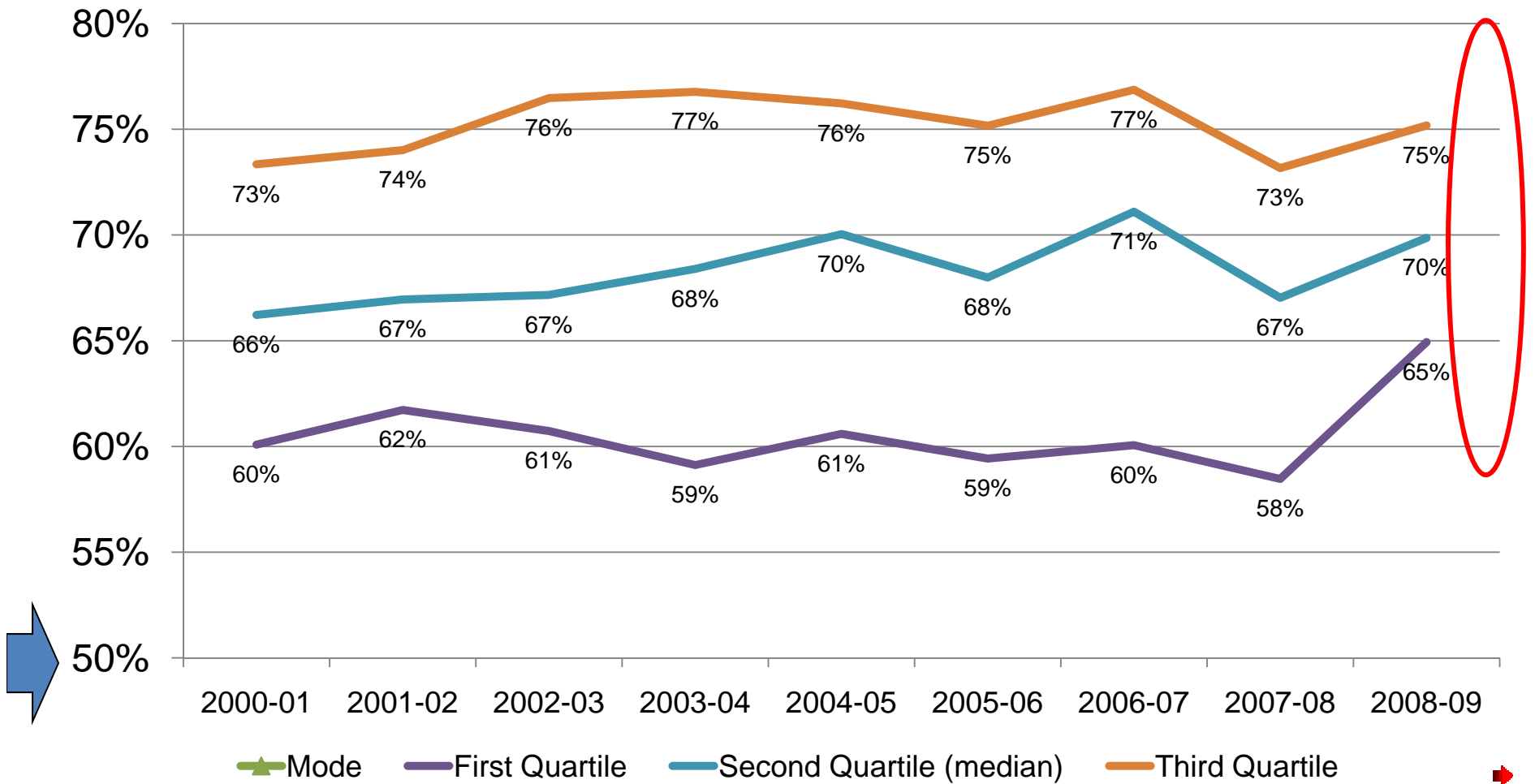


'08-'09 Needy/Not Needy



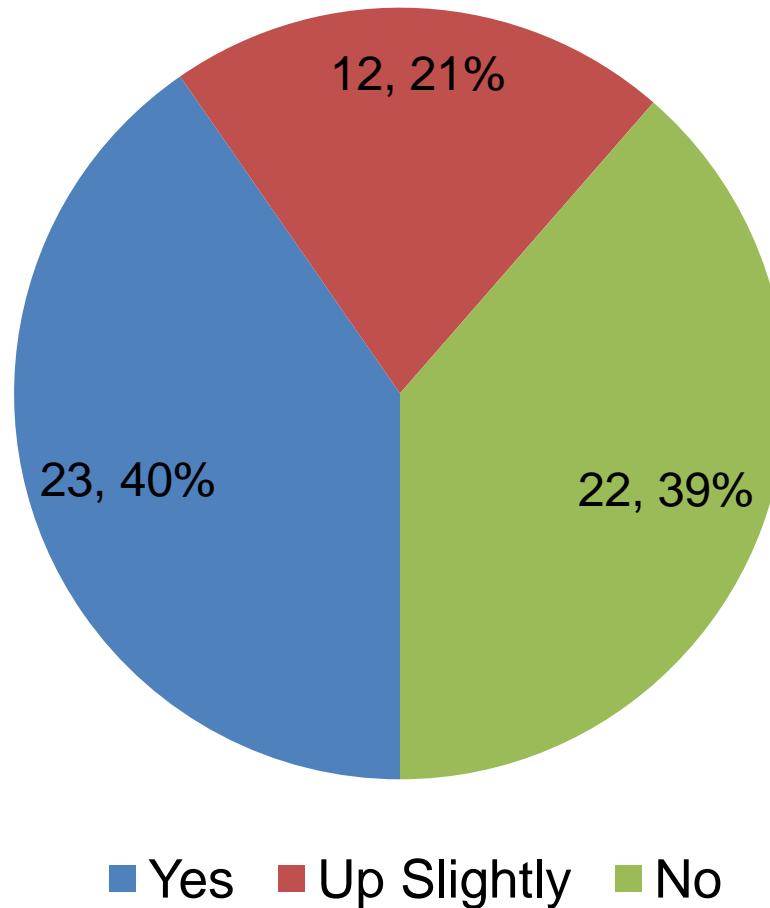
- 68.2% percent of students at 53 responding schools were needy (range: 28.1% to 89.5%).
 - Total gift aid to needy students = \$644 million
 - Average gift aid per needy student = \$11,470

Percent of Students who are Needy in Traditional Undergraduate Programs



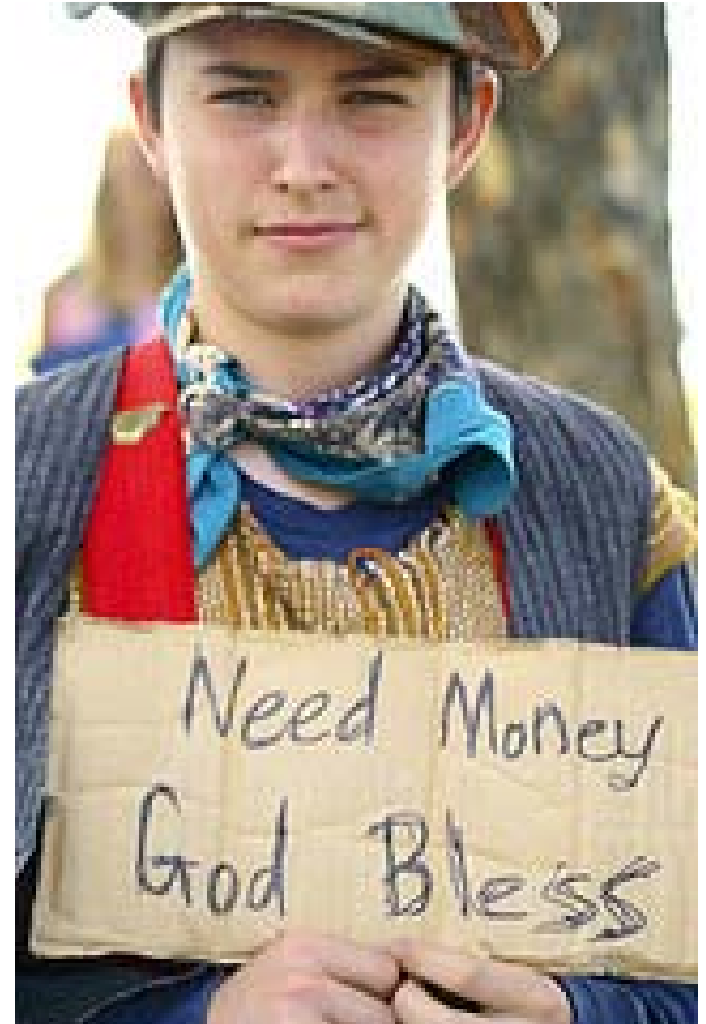
Change in % of Needy Undergraduate Students

Has the percent of needy students on your campus changed significantly from 2008-09 to 2009-10?

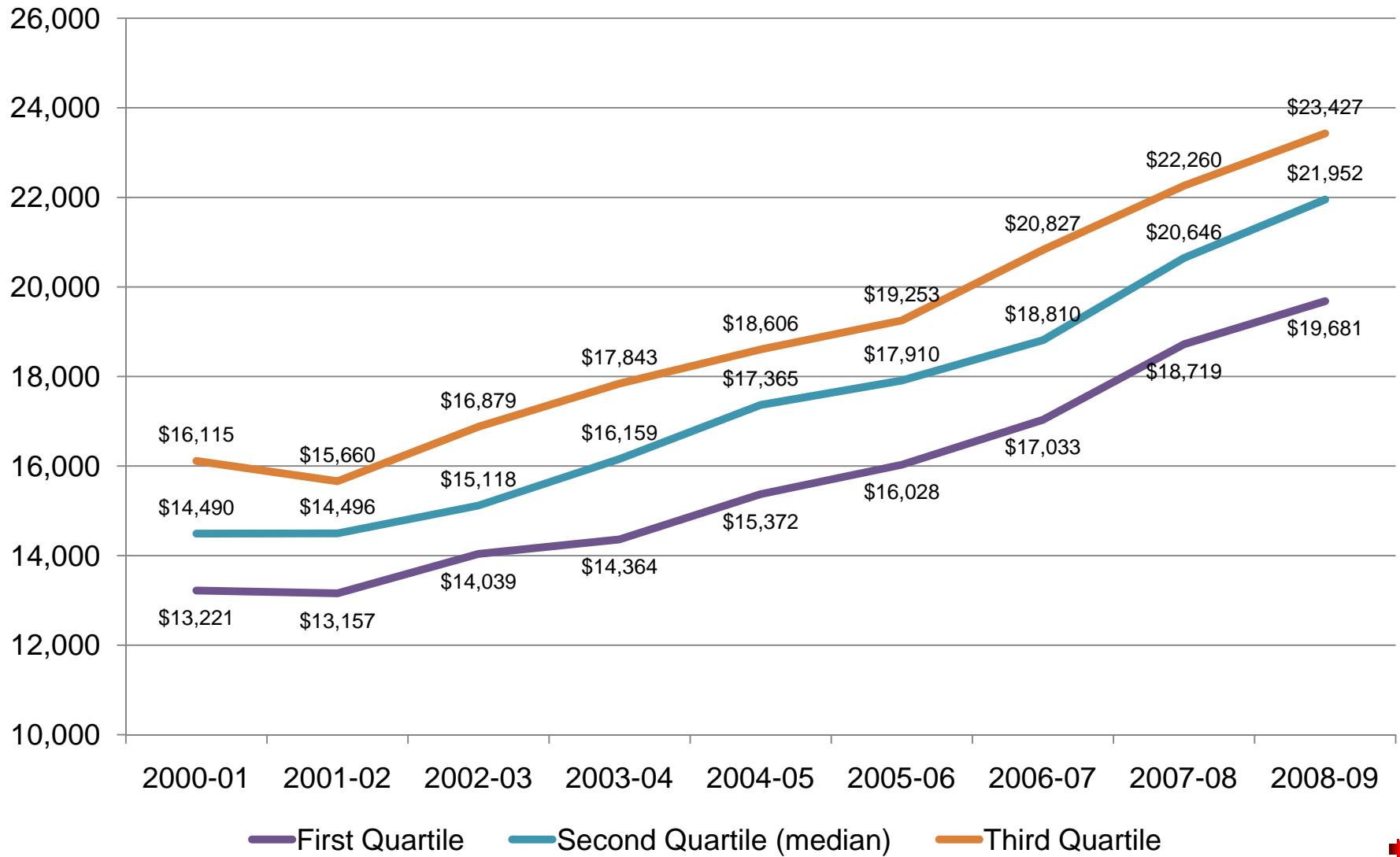


'08-'09 Needy Students

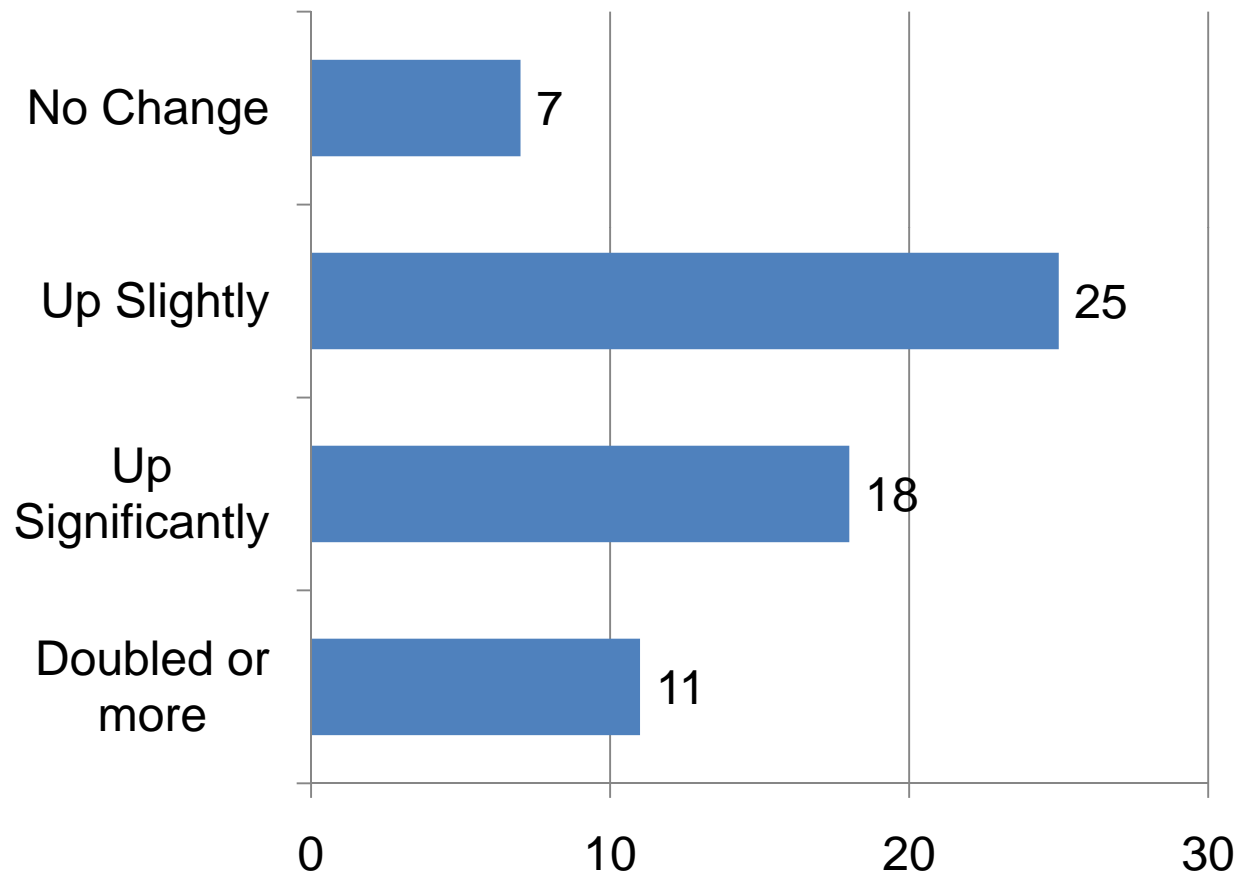
- The average needy student at responding schools had demonstrated need of \$21,495 in 2008-09 (range: \$10,981 to \$27,099)
- On average, responding schools meet 53.4% of need with gift aid
 - Minimum: 27.3%
 - 1st Quartile: 47.9%
 - 2nd Quartile (median): 53.7%
 - 3rd Quartile: 58.3%
 - Maximum: 83.9%



Average Need per Needy Student in Traditional Undergraduate Programs

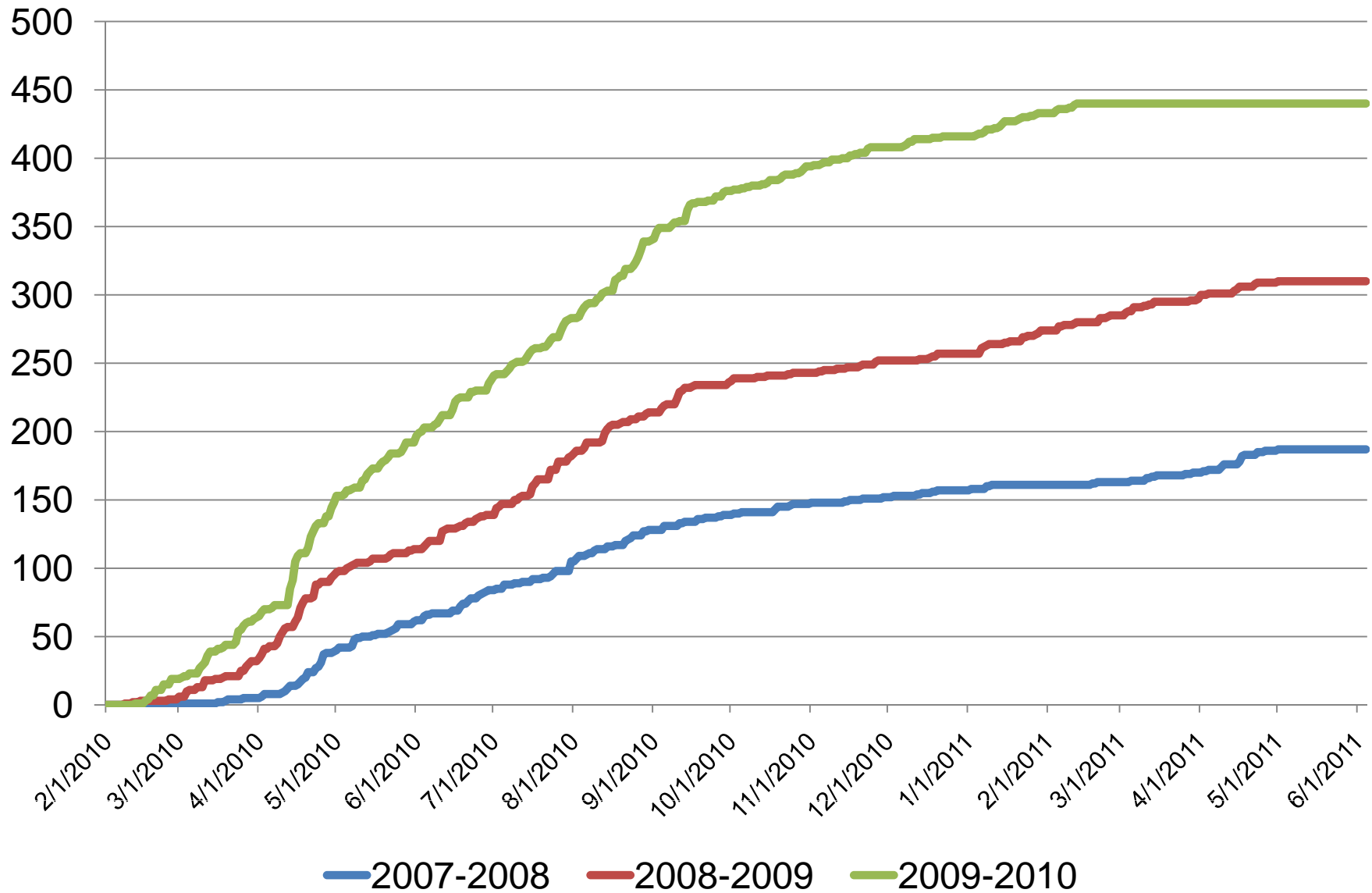


Financial Aid Appeals 2009-10

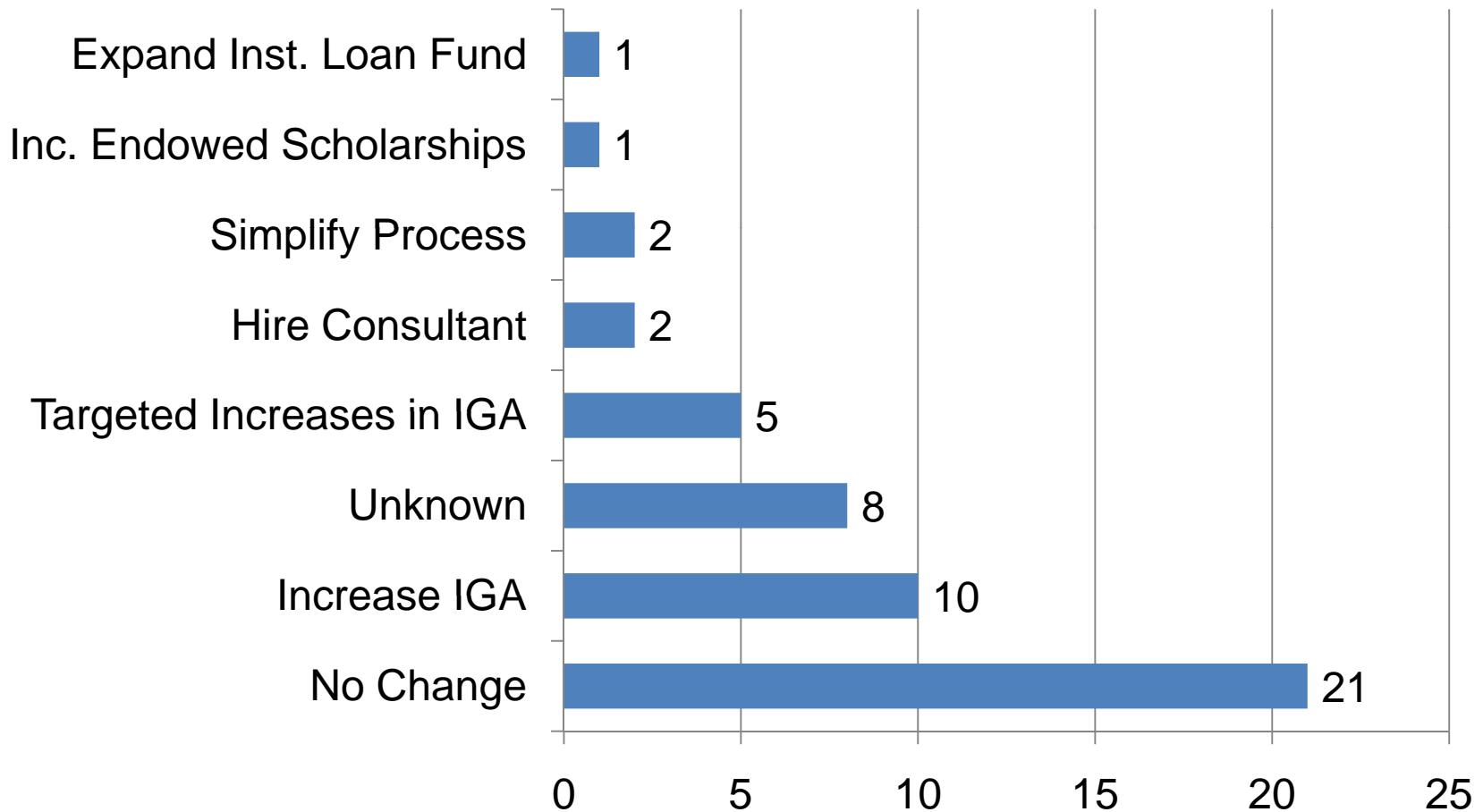


How did the number of appeals for 2009-10 compare with recent years?

Bethel University Financial Aid Appeals - Date Received (0910 data thru 02.15.10)

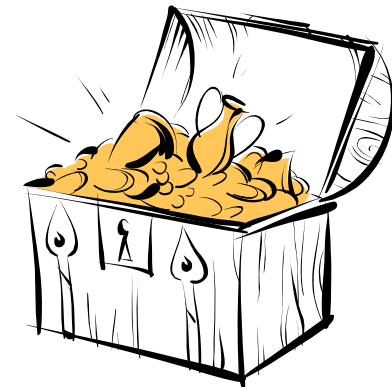


Anticipated Changes in Awards for 2010-11 in Response to Increased Needs

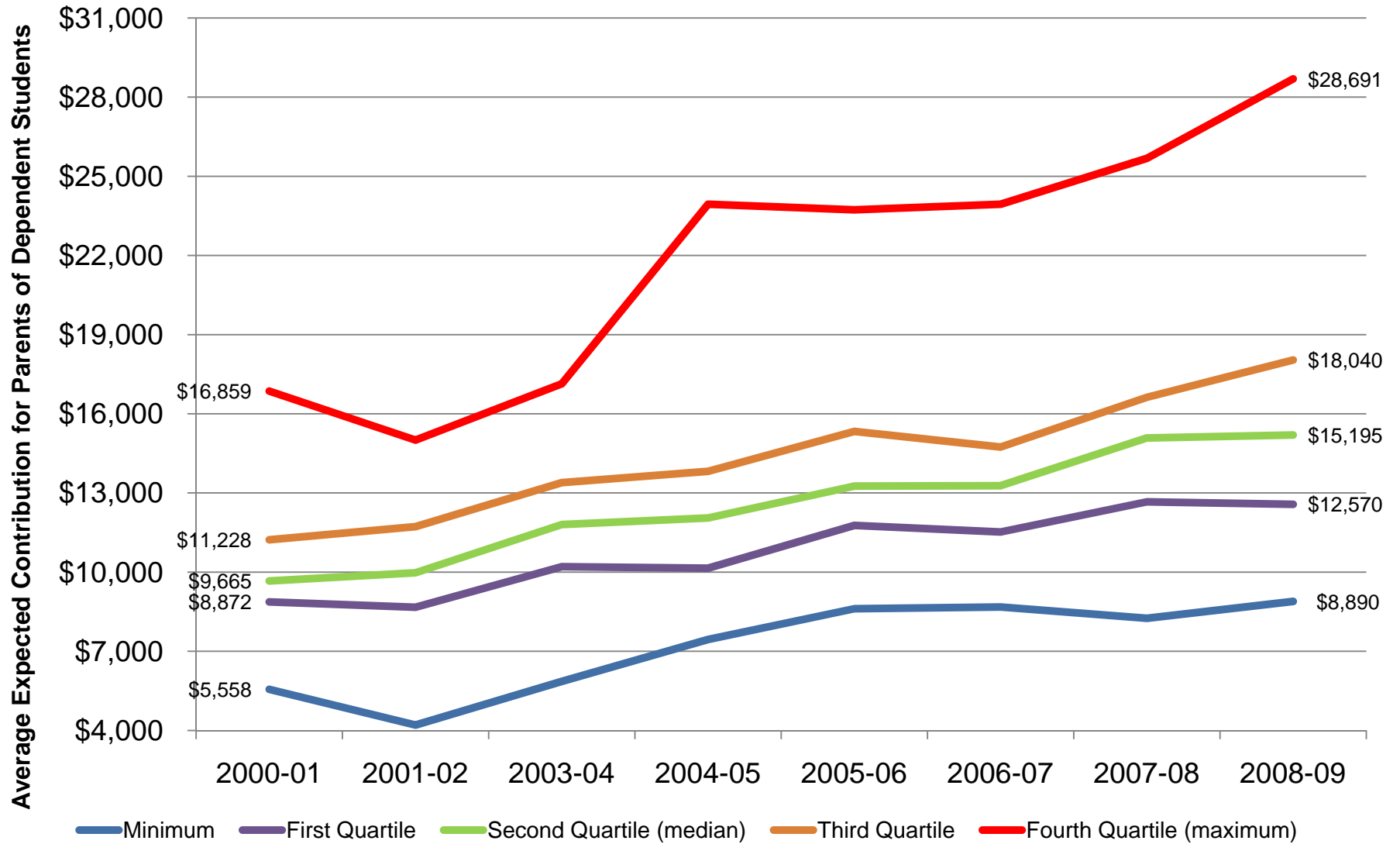


Price compared with Family Wealth

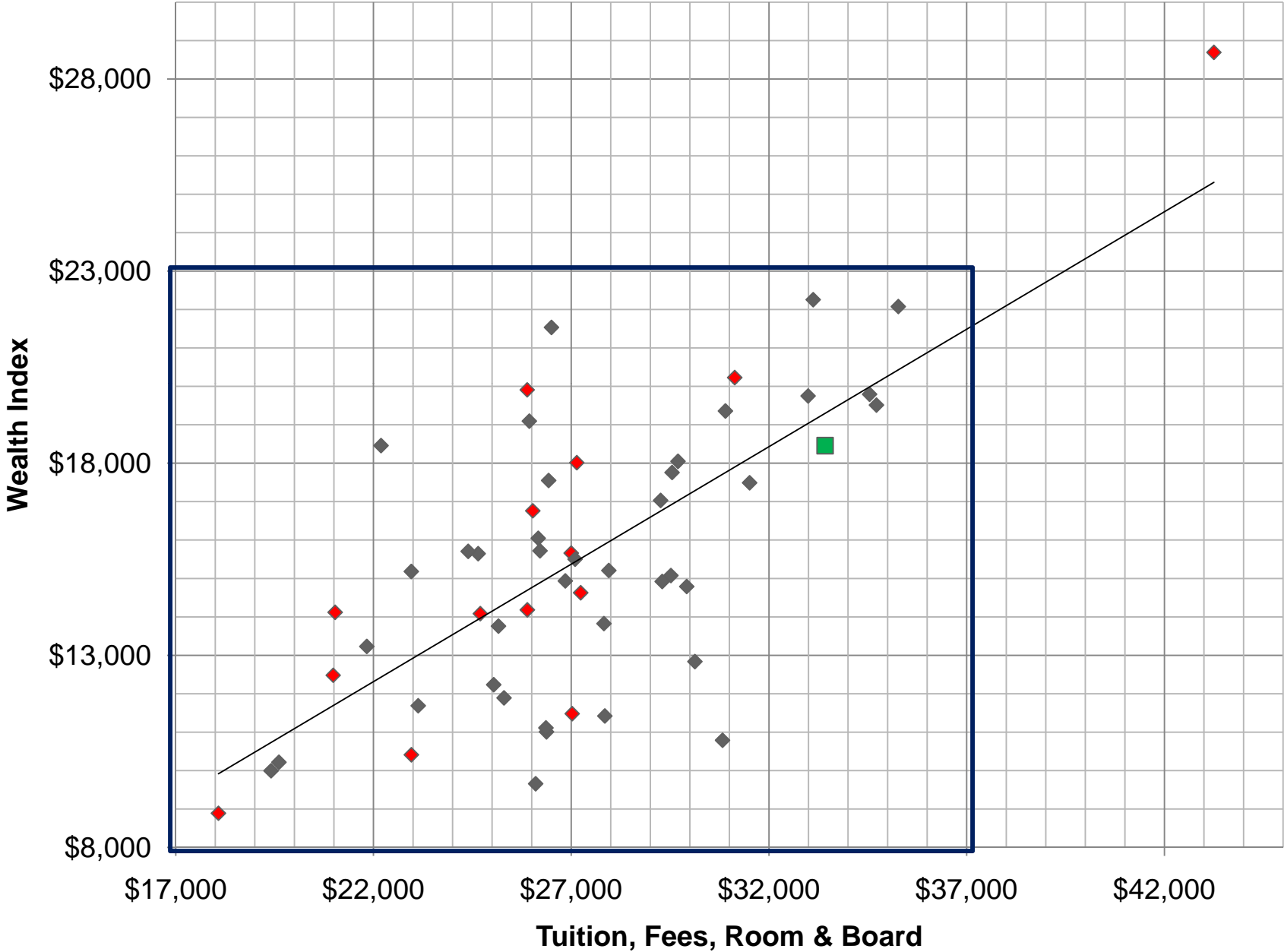
- The "wealth index" is an approximate measurement of expected parent contribution from non-independent student families (whether or not they show need).



Family Ability to Pay for Traditional Undergraduate Programs



Price Compared with Family Wealth



Pell Grant as % of Total Enrollment

	Students in Traditional Programs	Students in Non-Traditional Programs
Minimum	12.6%	1.3%
1 st Quartile	21.5%	17.7%
Median	26.6%	26.9%
3 rd Quartile	33.8%	36.7%
Maximum	50.4%	56.9%

- **61 schools reported Pell recipients in traditional undergraduate programs**
- **37 schools reported Pell recipients in non-traditional undergraduate programs**

'08-'09 Total Financial Aid

- Students at 63 reporting institutions received \$1.58 billion of financial aid in 2008-09.
 - \$933 million in gift aid
 - \$714 million in loans
 - \$596 million in student loans
 - \$118 million in PLUS loans
 - \$51 million in employment

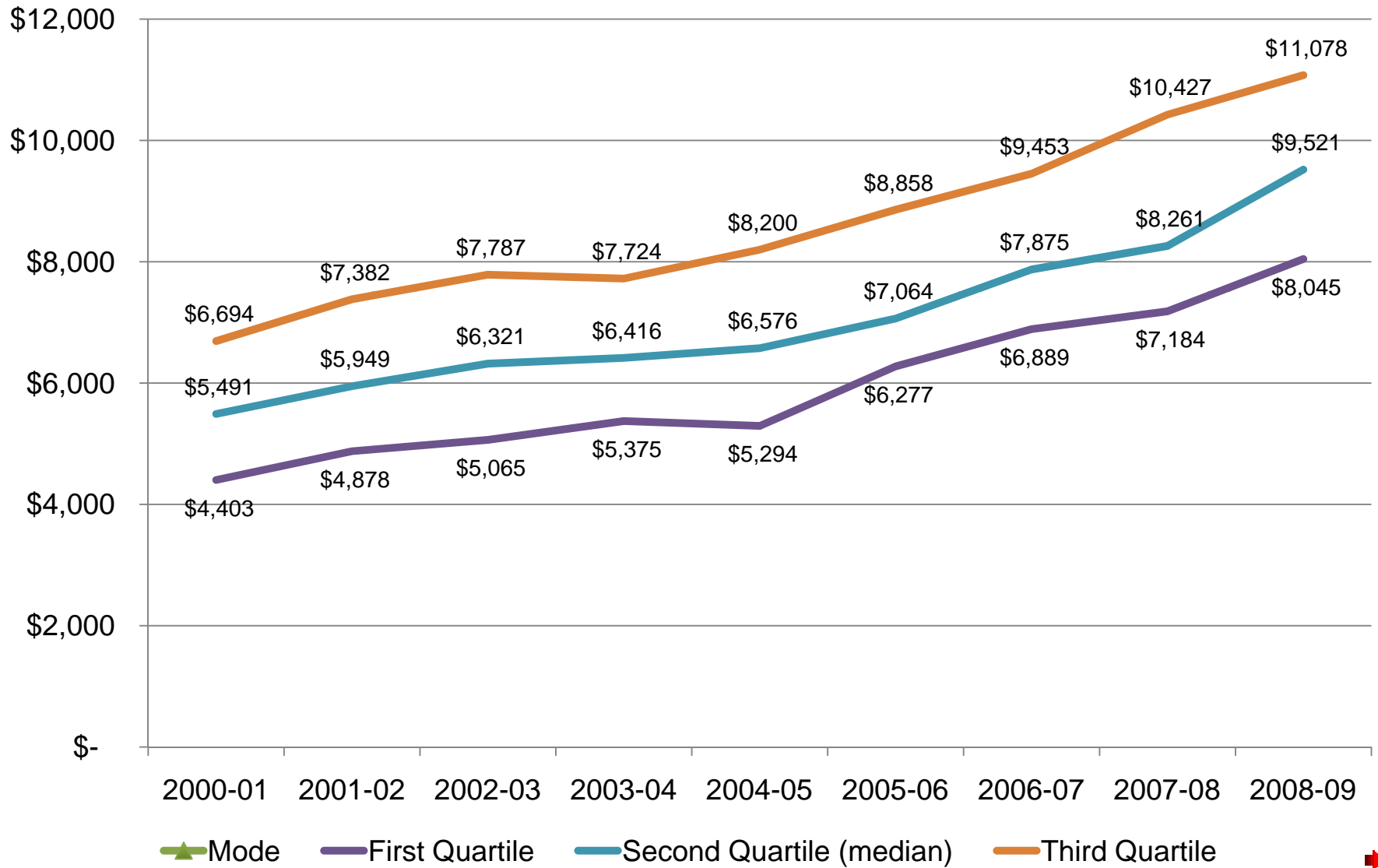




'08-'09 Average Financial Aid per Enrolled Student

	Lowest average	Average of 63 schools	Highest average
Gift Aid	\$3,551	\$9,411	\$13,598
Loans (w/o PLUS)	\$1,798	\$5,953	\$13,009
Work	\$58	\$463	\$1,256

Average Total Gift Aid (per enrolled student) in Traditional Undergraduate Programs

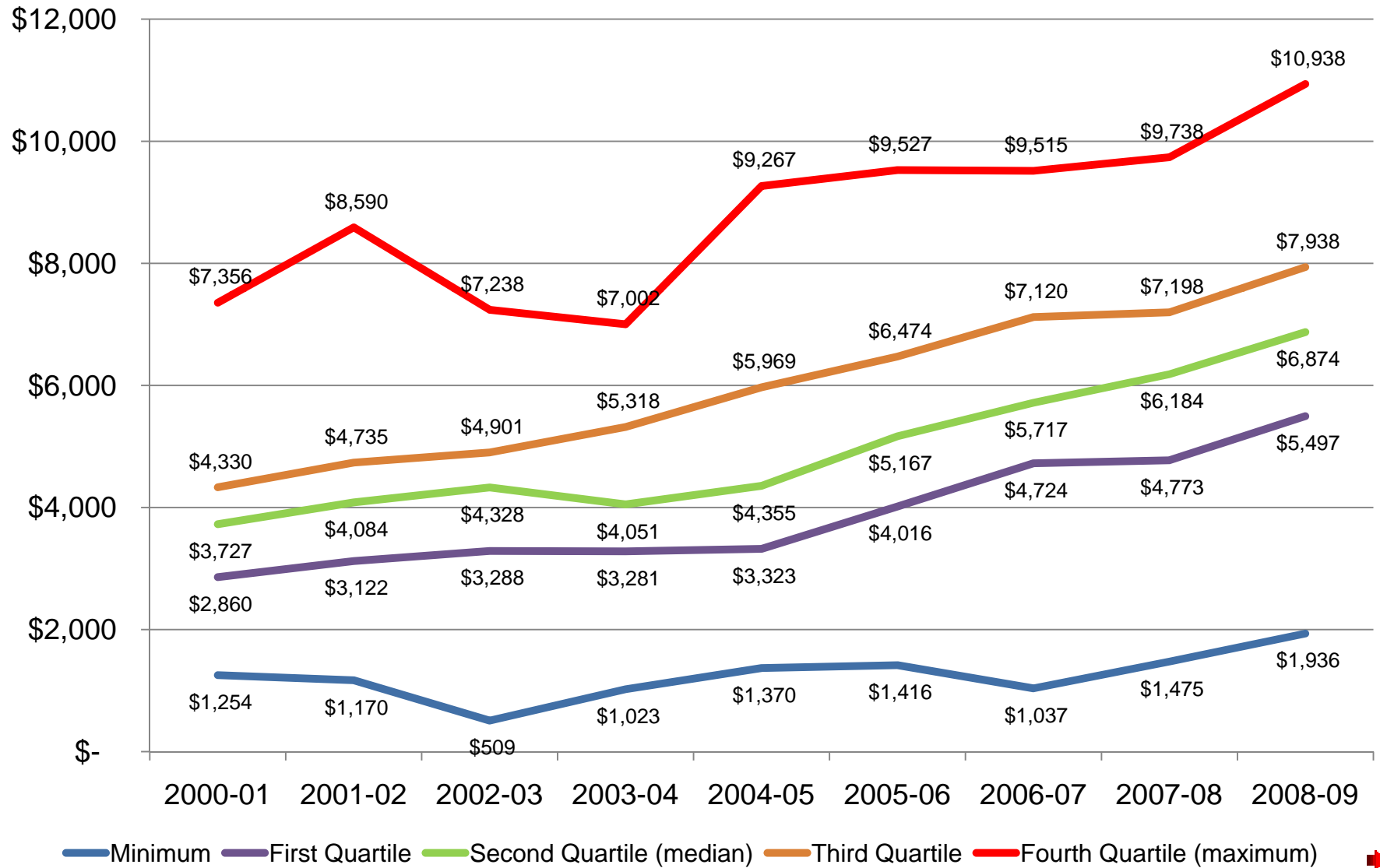




'08-'09 Institutional Gift Aid Per Enrolled Student

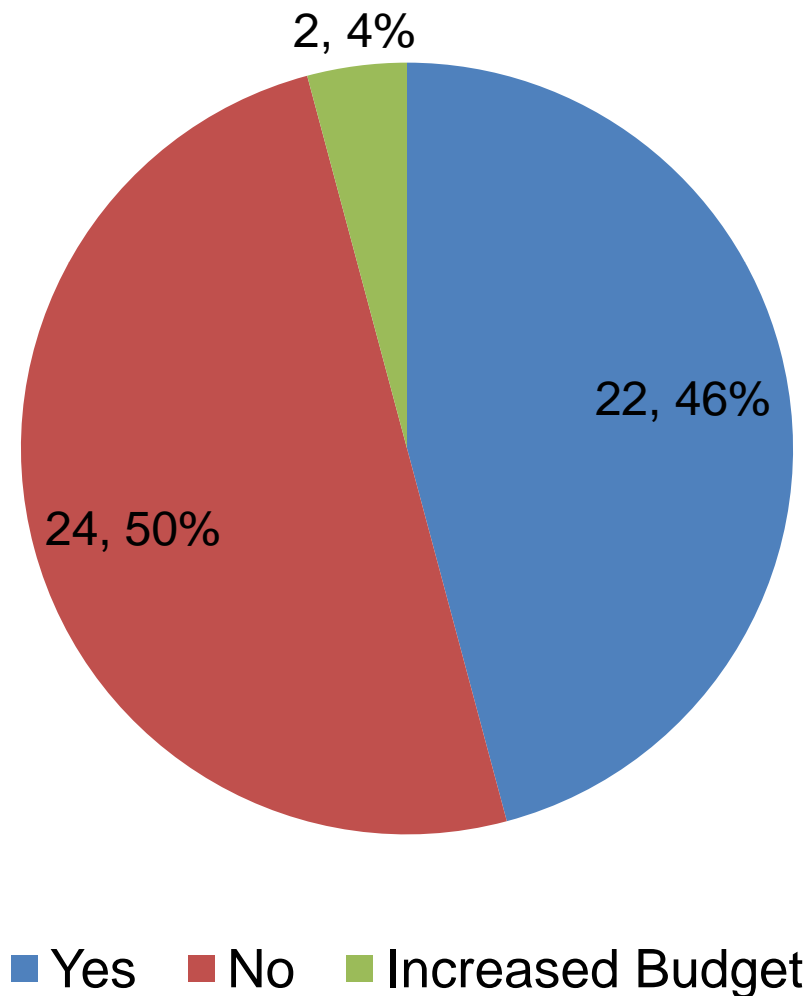
	Lowest average	Average of 66 schools	Highest average
Unrestricted	\$1,408	\$5,647	\$8,627
Endowed	\$0	\$392	\$1,720
Restricted	\$0	\$150	\$758
Tuition Remission	\$50	\$499	\$1,381

Avg Institutional Gift Aid (per enrolled student) in Traditional Undergraduate Programs



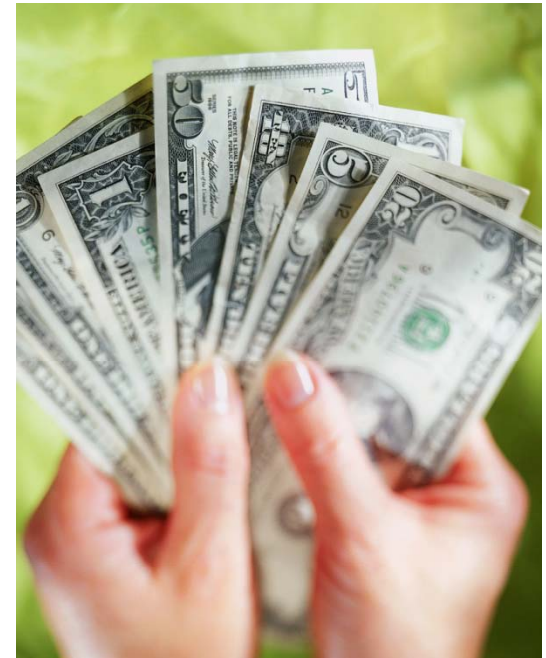
Institutional Gift Aid Spending for 2009-10

Did you
overspend
your
Institutional
Gift Aid
budget this
year?

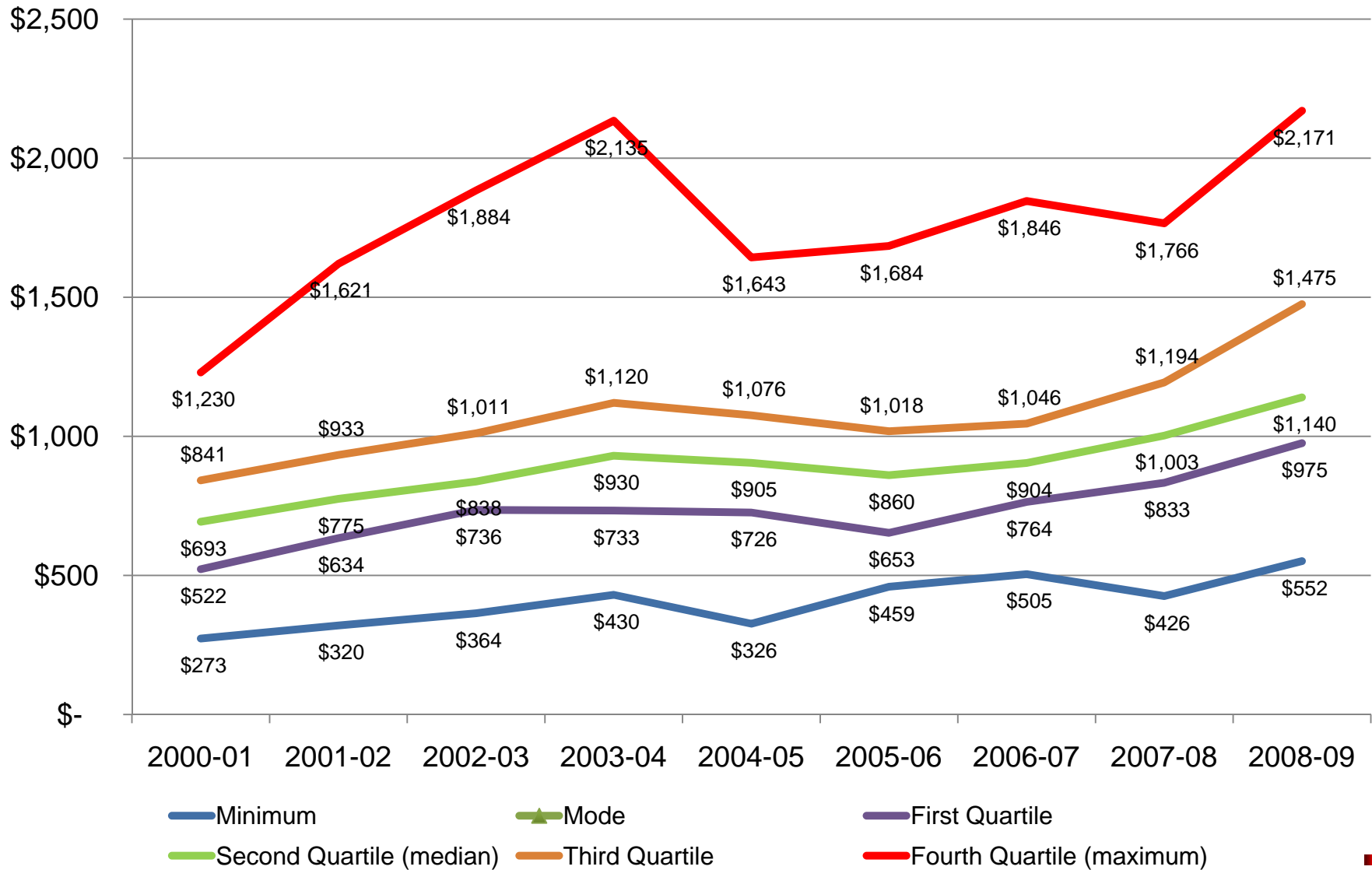


'08-'09 Federal Gift Aid

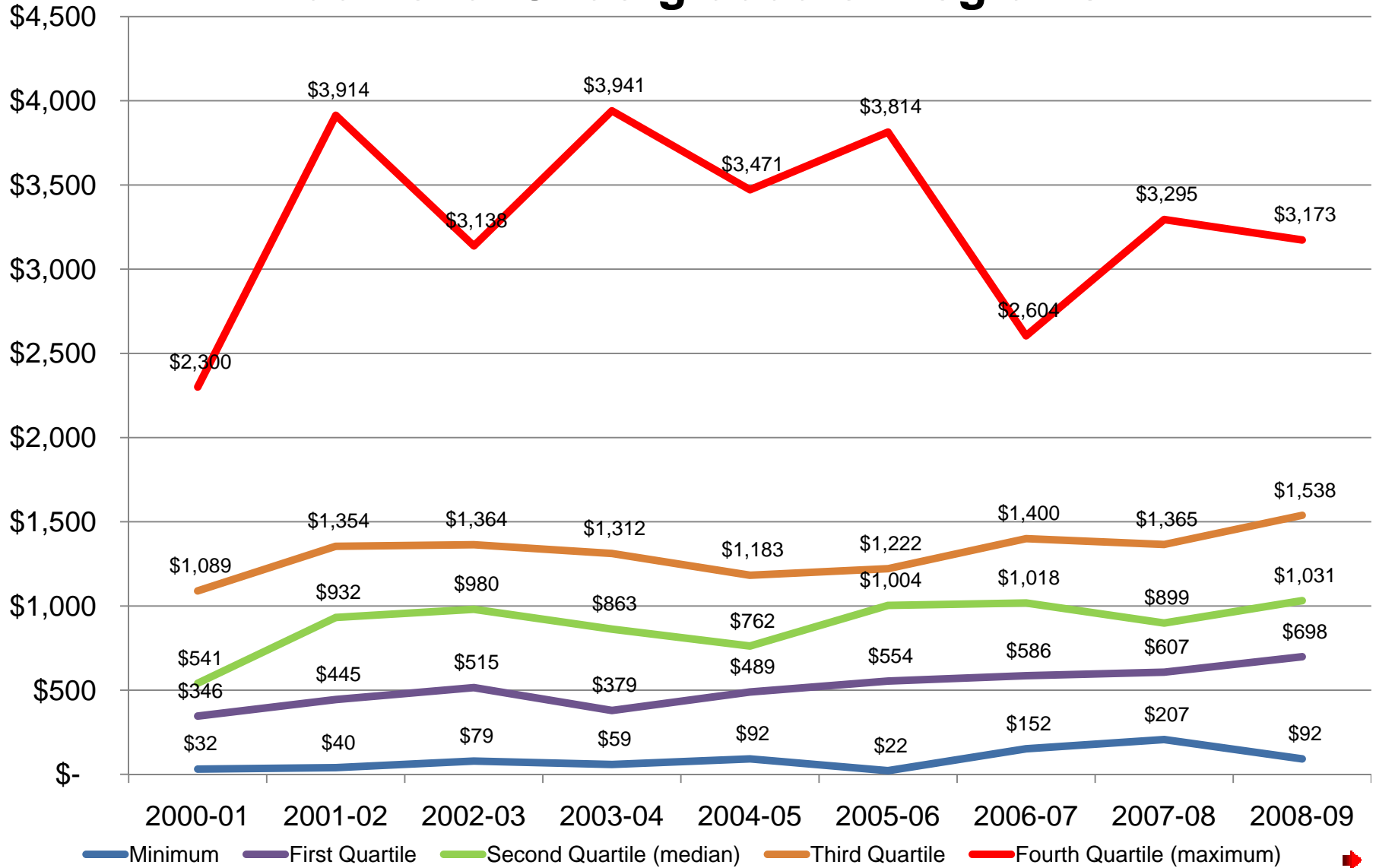
- Average Pell grant (per enrolled student) ranges from \$386 to \$1,850.
- SEOG total funding represents anywhere from 5% to 54% of total Pell funding.



Average Federal Gift Aid (per enrolled student) in Traditional Undergraduate Programs



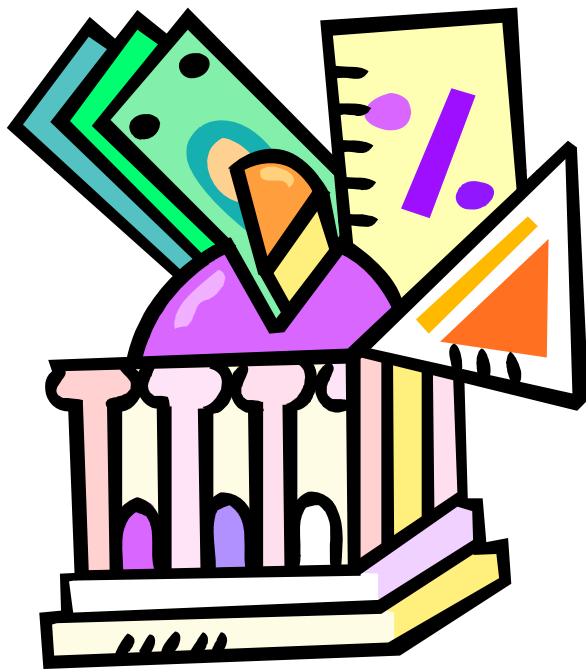
Average State Gift (per enrolled student) in Traditional Undergraduate Programs



Tuition and Fee Revenue

- The 63 responding schools reported '08-'09 tuition & fee revenue of \$2.271 Billion
 - Extrapolating to the entire CCCU membership, tuition revenue at CCCU schools exceeds **\$3 Billion annually**
- 8.9% of tuition comes from non-traditional undergrads
 - 9.2% in '07-'08; 8.5% in '06-'07; 9.2% in '05-'06
- 9.5% of tuition is from graduate students
 - 11.2% in '07-'08; 10.5% in '06-'07; 9.5% in '05-'06
- 81.6% of tuition is from traditional undergrads
 - 79.6% in '07-'08; 81.0% in '06-'07; 81.3% in '05-'06

Loans as Percent of Tuition & Fee Revenue



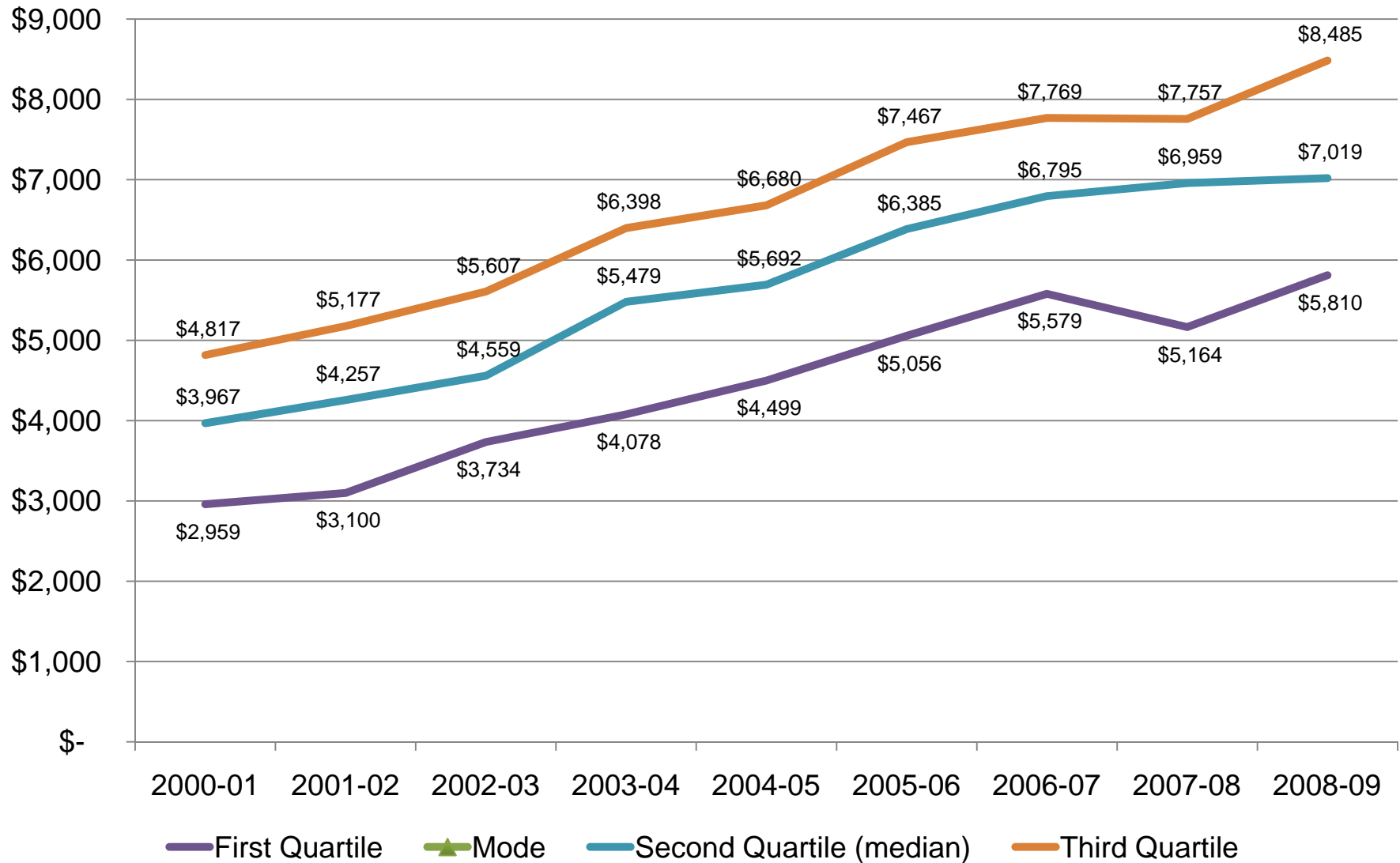
- Recorded loans (including PLUS) exceed 50% of tuition and fee revenue at 13 of 63 reporting schools (21%)
- Loans are less than 30% of tuition and fee revenue at 11 of 63 schools (17%)
- The median percentage is 39.7%

Loans '08-'09

- 63 survey respondents reported \$714 million in total borrowing
- Of this \$118 million was PLUS loans
 - Total PLUS borrowing exceeded \$5 million at 4 schools
 - Average PLUS per enrolled student was \$1,114
- Average amount borrowed per enrolled student was \$7,067 (up slightly)



Average Loan (per enrolled student) Traditional Undergraduates

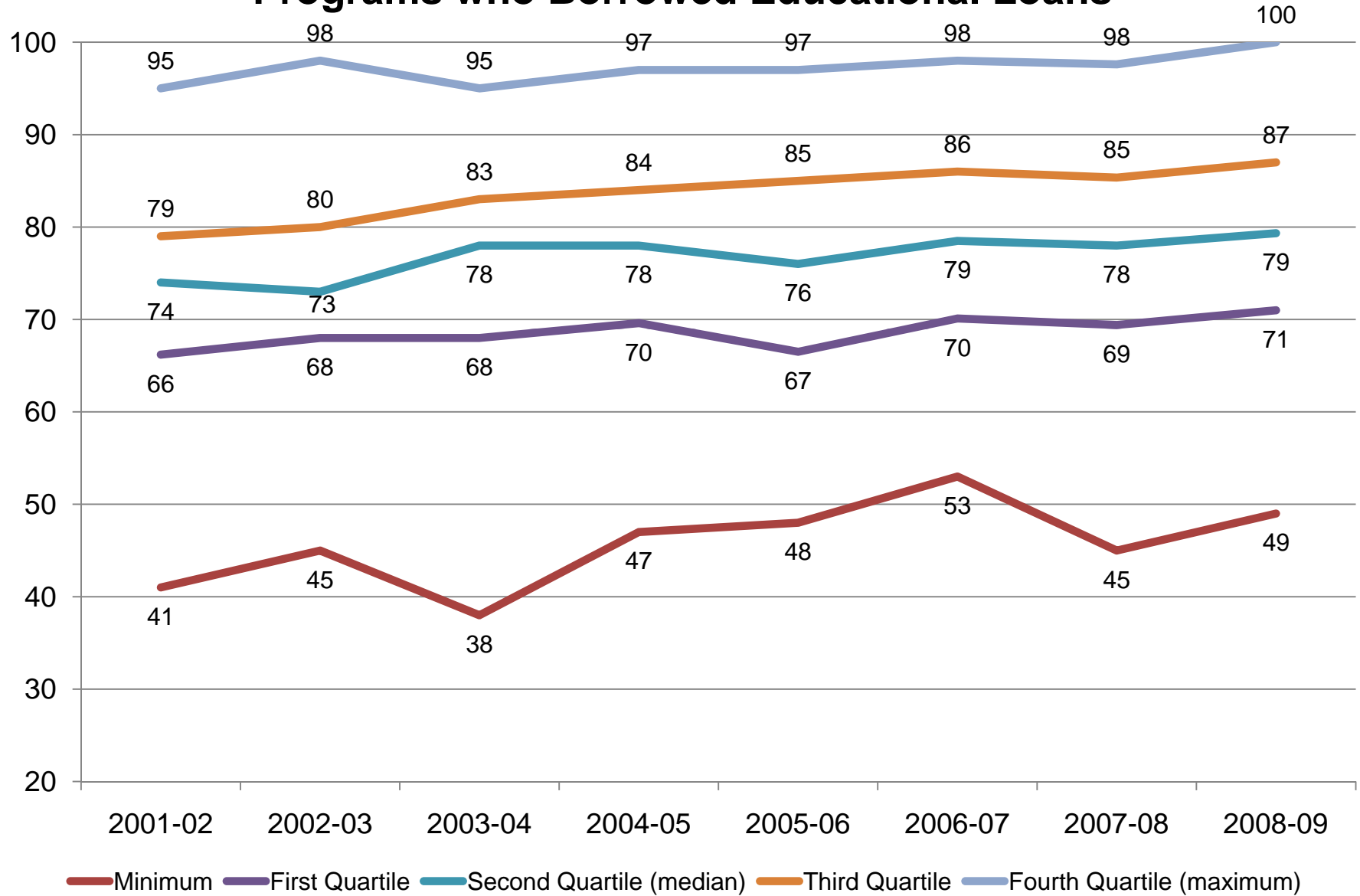


Average Student Loan Debt



- On average 78% of Spring '09 graduates at 63 responding schools borrowed student loans (range: 49% to 100%).
- Their average debt was \$26,031 (range: \$15,034 to \$47,815).
 - 44 of 63 (70%) of responding schools had average debts ranging from \$20,000 to \$30,000
- Average debt equaled 134% of 2008-09 tuition and fees at each student's school (range: 77% to 233%).

Percent of Graduates in Traditional Undergraduate Programs who Borrowed Educational Loans

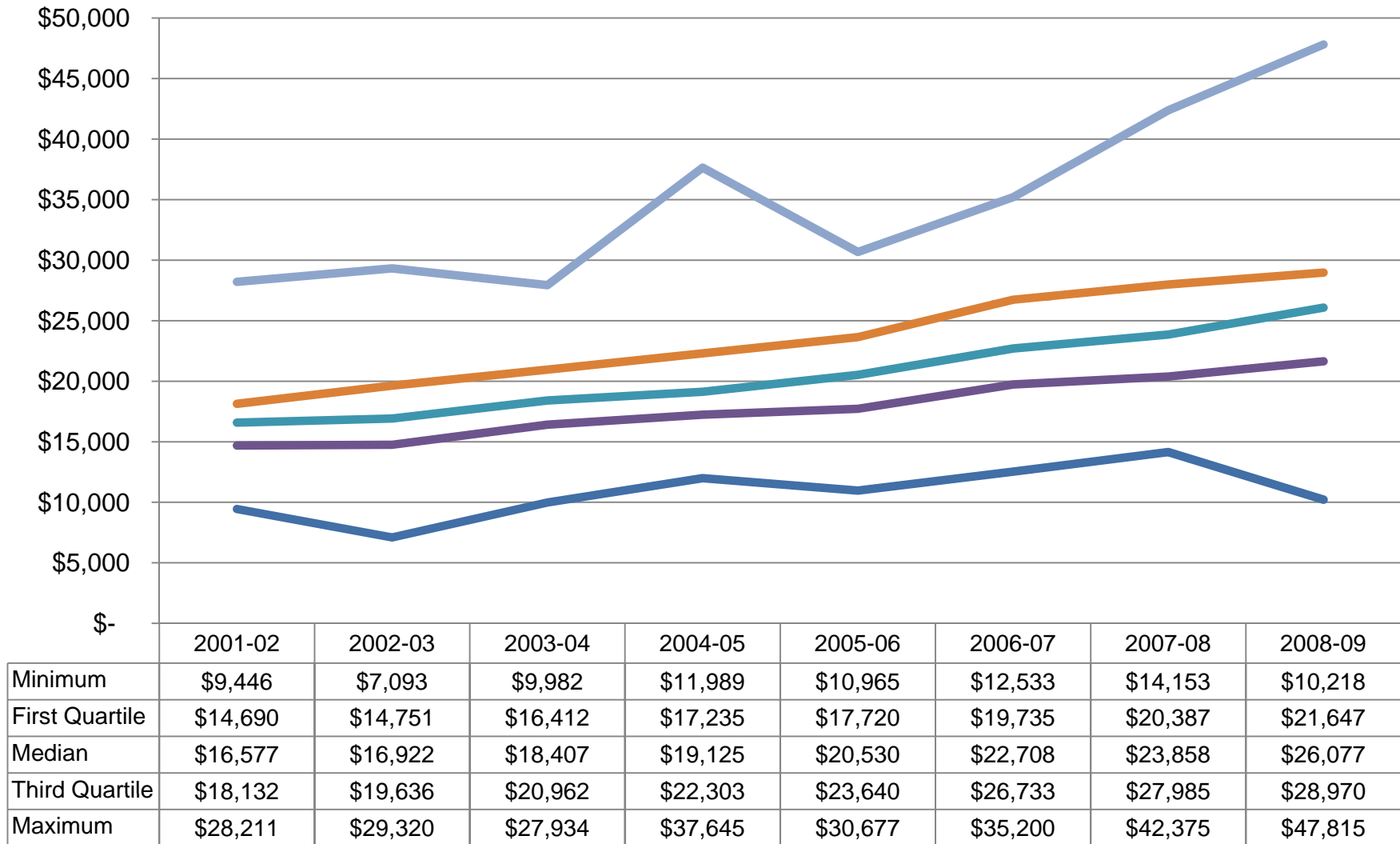


Average Student Loan Debt

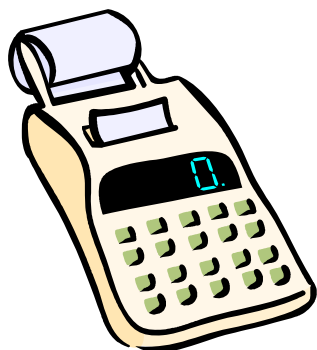


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- Average debt equaled 134% of 2008-09 tuition and fees at each student's school (range: 77% to 233%).

Average Educational Debt of Graduates from Traditional Undergraduate Programs



— Minimum — First Quartile — Median — Third Quartile — Maximum



Discount Rate Calculation

- **Unfunded**
 - "Unrestricted Institutional gift aid" divided by "tuition and fee revenue"
- **NACUBO**
 - (Unrestricted institutional gift aid + endowed + restricted) divided by "tuition and fee revenue"
- **Neither calculation includes employee tuition remissions**

'08-'09 Discount Rates

- 63 schools reported unfunded discount rates from 12.0% to 59.1%
 - 1st Quartile: 26.4%
 - 2nd Quartile (median): 31.9%
 - 3rd Quartile: 36.0%
- The NACUBO discount rate for the same schools ranged from 17.1% to 61.7%
 - 1st Quartile: 28.4%
 - 2nd Quartile (median): 34.1%
 - 3rd Quartile: 39.3%



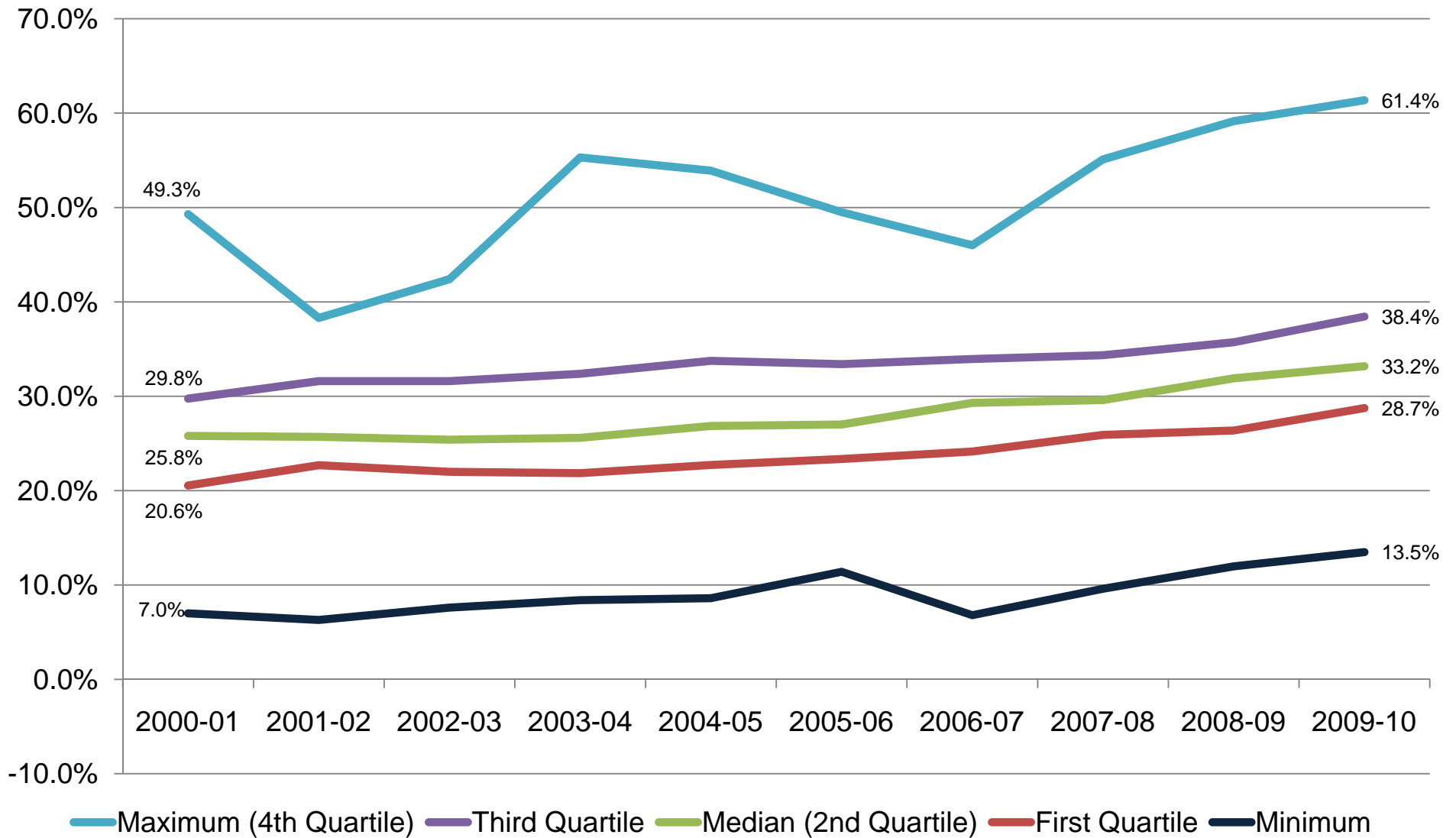
Estimated '09-'10 Discount Rates



- 60 schools reported estimated unfunded discount rates from 13.5% to 61.4%
 - 1st Quartile: 28.7%
 - 2nd Quartile (median): 33.2%
 - 3rd Quartile: 38.4%
- The estimated NACUBO discount rate for the same schools ranged from 19.6% to 63.0%
 - 1st Quartile: 31.0%
 - 2nd Quartile (median): 35.3%
 - 3rd Quartile: 41.1%

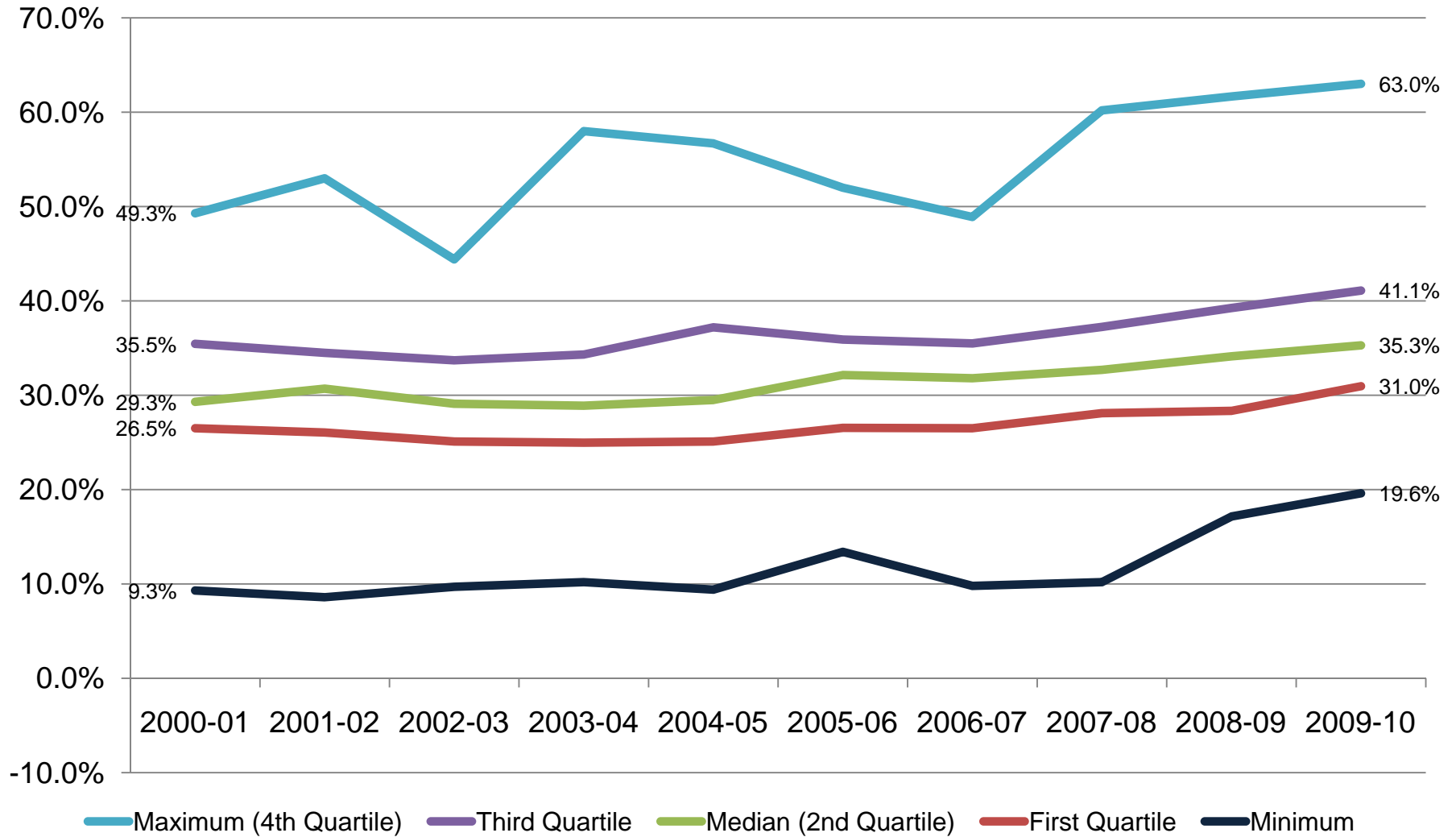
Unfunded Discount Rates in CCCU Schools Traditional Undergraduate Programs

(0910 data is estimated)

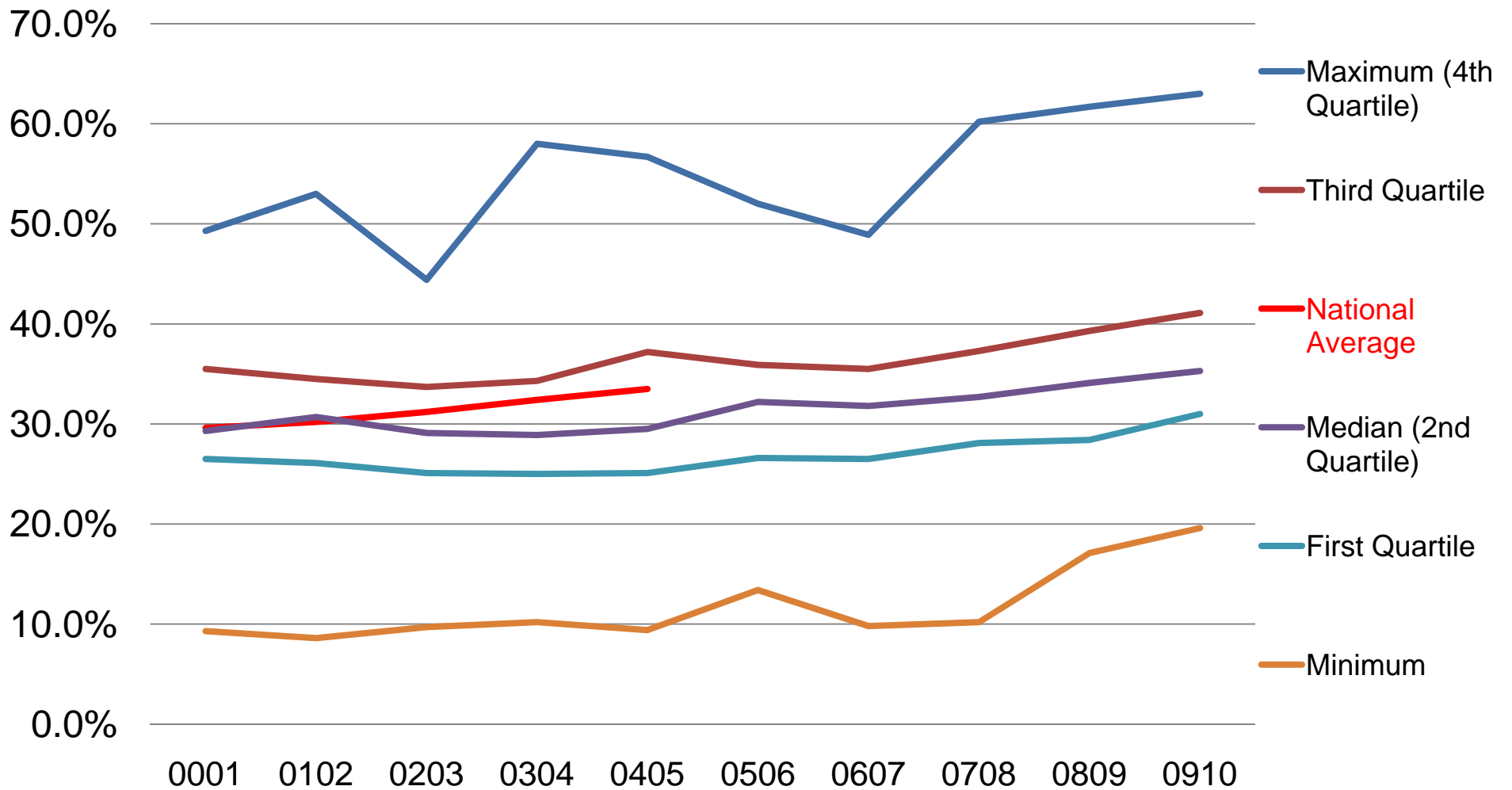


NACUBO Discount Rates in CCCU Schools Traditional Undergraduate Programs

(0910 data is estimated)



NACUBO Discount Rates in CCCU Schools Traditional Undergraduate Programs *with College Board Data* *(0910 data is estimated)*





QUESTIONS?

- For additional information contact
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 - Jeff Olson, jeff-olson@bethel.edu

