

CGS WORKSHOP MONITORING AND MANAGING GRADUATE STUDENT DEBT

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AGENDA

- Discuss Debt and Its impact on Student Choice
- International Student Debt
- Debt Options
- Debt Minimization Strategy

UNDERGRADUATE STUDENT DEBT AND ITS IMPACT

Category	Avg Indebtedness by Six Year Graduation Rates						6 Year Difference
	2013-2014 Avg	2014-2015 Avg	2015-2016 Avg	2016-2017 Avg	2017-2018 Avg	2018-2019 Avg	
Undergraduate Tuition In-State	23,466	23,532	24,480	24,711	25,681	26,650	13.57%
Undergraduate Tuition Out-of-State	35,780	35,606	35,974	36,012	37,362	38,733	8.25%
Average Federal Student Loans Debt-6 year Grad Rate	44,898	44,052	42,528	40,770	40,176	39,448	-12.14%
Grant or scholarship aid from the federal government, state/local government, the institution, and other sources known to the institution (Do NOT include federal student loans)*	40,800	43,878	47,220	48,528	53,496	59,662	46.23%
AVG Pell Grants*	26,106	25,578	25,272	24,822	25,704	26,839	2.81%
* Grant/scholarships/Pell Aid does not have to be paid back, this would not be considered debt to the student							

COMBINED UNDERGRADUATE AND GRADUATE DEBT BY DEGREE:

SOURCE: STUDENT LOAN HERO BY LENDINGTREE

- MBA = \$42,000 (11% of graduate degrees)
- Master of Education = \$50,879 (16%)
- Master of Science = \$50,400 (18%)
- Master of Arts = \$58,539 (8%)
- Law = \$140,616 (4%)
- Medicine and health sciences = \$161,772 (5%)
- Other master's degrees = \$55,489 (15%)
- Students add and about \$15,000 in additional debt for Master's

INTERNATIONAL STUDENT DEBT

- No Data at my institution
- Students traditionally have to borrow at home
 - Need to provide collateral
 - Puts financial pressure on the entire family
- New models are emerging

LENDERS AND RATES

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Lender	Best For	Fixed APR	Variable APR
MPOWER Financing	International student loans without co-signer	7.52-13.63%	N/A
Prodigy Finance	International student loans without co-signer	N/A	7.52-12.00%
Ascent	International student loans with co-signer	4.21-13.12%	3.22-12.54%
Citizens One		4.40-12.19%	2.83-11.01%
Discover		4.74-12.49%	2.95-11.62%
Earnest		4.49-12.78%	2.79-11.44%
Sallie Mae		4.74-11.35%	2.75-10.22%
Wells Fargo		5.94-11.96%	5.04-10.93%

PRODIGY FINANCE*

- Founded in 2007, major competitor is Mpower
 - Started with MBA loans: now in Business, Engineering, Health and Natural Science , Public Policy and Law
 - Adhere to a proprietary risk assessment model based on admission to selected programs
- Work with International Graduate students at the Master's level only (no PhD)
- No cosigner or collateral needed
- Assessed on future earning potential
- Competitive Rates 4-8.5% + LIBOR (variable rates)
- Students are prequalified and they take the loan to the consulate

*Courtesy of **Riane Corter**
University Account Executive, Prodigy Finance

MINIMIZATION STRATEGIES

- Scholarships/Assistantships
- Accelerated Programs
 - 3+1+1
 - 1+1
- Online
- Joint Teaching Programs

SUMMARY

- Rising Debt for All Students
- There are new options for borrowing
- There are new options for reducing overall cost
- Thank You for your time.