April 16, 2020 at 10:00 a.m.
Via Videoconference and UNC-TV Live Stream

AGENDA

A-1. Approval of the Minutes of February 20, 2020 .................................................................Carolyn Coward

A-2. Proposed Resolution on Teacher Preparation........................................................................Andrew Kelly

A-3. Information Session: Student Loan Debt................................................................................Andrew Kelly

A-4. Other Business ......................................................................................................................Andrew Kelly
   a. UNC System Summer School Study (HB305)

A-5. Adjourn

Additional Information Available
A-4. UNC System Summer School Study (HB305) (Will be available by April 13, 2020)
MEETING OF THE BOARD OF GOVERNORS
Committee on Strategic Initiatives

DRAFT MINUTES
February 20, 2020
University of North Carolina System Office
Center for School Leadership Development Board Room
Chapel Hill, North Carolina

This meeting of the Committee on Strategic Initiatives was presided over by Chair Carolyn Coward. The following committee members, constituting a quorum, were also present: J. Alexander Mitchell, Kellie Hunt Blue, Dwight D. Stone, and Adam Schmidt.

Chancellors participating were Chancellor Sheri Everts and Interim Chancellor Ron Mitchelson.

Staff members present included Dr. Andrew Kelly and others from the UNC System Office.

Other guests included Dr. Anthony Graham from Winston-Salem State University and Dr. Kim Winter from Western Carolina University.

1. Call to Order and Approval of OPEN Session Minutes (A-1)

The chair called the meeting to order at 10:02 a.m., and called for a motion to approve the open session minutes of January 16, 2020, meeting.

MOTION: Resolved, that the Committee on Strategic Initiatives approve the open session minutes of January 16, 2020, as distributed.

Motion: Kellie Blue
Motion: Carried

2. Information Session: Teacher Preparation (Item A-2)

Dr. Andrew Kelly, along with Dr. Graham and Dr. Winter, presented information regarding teacher preparation in the state of North Carolina. They discussed how the System Office can improve teacher preparation in order to better serve students in meeting their literacy goals. The committee had an open discussion following the presentation.

There being no further business, the meeting adjourned at 11:01 a.m.

_________________________
Michael Williford, Secretary
AGENDA ITEM

A-2. Proposed Resolution on Teacher Preparation................................................................. Andrew Kelly

Situation: Nearly 40 percent of the public school teachers in North Carolina are graduates of a UNC System university. Each year, the System produces approximately 4,000 licensed teachers to serve in every corner of the state. In February, the committee heard a presentation on teacher preparation and the opportunities for improvement. Based on that discussion, Chair Coward asked System Office staff to draft a resolution for the committee to review and approve outlining concrete objectives and a timeline for achieving and reporting on those objectives. In this meeting, the committee will review and discuss that proposed resolution.

Background: Research indicates that teacher effectiveness is the single most important school-level influence on student achievement.

In light of the important effect that teachers have on student outcomes, policymakers and higher education leaders have identified teacher preparation programs as a key lever to improve student achievement in the public schools.

In February, the committee heard a presentation on teacher preparation in the UNC System featuring remarks from Provost Anthony Graham of Winston-Salem State University and Dean Kim Winter of the Western Carolina University College of Education. Dr. Graham and Dr. Winter serve as co-chairs of the System Office’s Educator Preparation Advisory Group. The presentation reviewed the latest data and research on student achievement and teacher preparation and identified opportunities for the Board of Governors to promote improvement. The presentation focused on evidence-based literacy instruction as a key opportunity for educator preparation programs to affect student achievement in the public schools.

Based on that discussion, Chair Coward asked System Office staff to draft a resolution outlining concrete steps that the Board of Governors and System Office can take to enhance teacher preparation, along with a timeline for completing those steps.

Assessment: In this meeting, the committee will review and discuss a resolution that outlines a process for improving teacher preparation.

Action: This item requires a vote by the committee and a vote by the full Board of Governors.
RESOLUTION OF
THE BOARD OF GOVERNORS OF
THE UNIVERSITY OF NORTH CAROLINA
April 17, 2020

WHEREAS, the 15 educator preparation programs in the UNC System are the largest source of public school teachers in the state and make a critical contribution to North Carolina’s educational attainment; and

WHEREAS, students who are able to read on grade-level by the end of 3rd grade are more likely to graduate from high school, enroll in postsecondary education, earn a college degree or credential, and experience economic success in adulthood; and

WHEREAS, G.S. 115C-83.1 asserts, “The goal of the State is to ensure that every student read at or above grade level by the end of third grade and continue to progress in reading proficiency so that he or she can read, comprehend, integrate, and apply complex texts needed for secondary education and career attainment”; and

WHEREAS, the 2019 National Assessment of Educational Progress (NAEP) found that 36 percent of North Carolina’s fourth graders scored proficient in reading in 2019, with just over 20 percent of low-income fourth-graders reading on grade level; and

WHEREAS, North Carolina’s plan under the federal Every Student Succeeds Act (ESSA) calls for increasing reading proficiency among students in grades three through eight by 20 percentage points on state assessments between 2017 and 2027; and

WHEREAS, a body of rigorous research has identified several essential components of reading instruction, including oral language skills, phonological and phonemic awareness, phonics, fluency, vocabulary, and comprehension; and

WHEREAS, G.S. 115C-269.20 requires teacher preparation programs providing training to elementary and special education general curriculum teachers shall include “instruction in the teaching of reading, including a substantive understanding of reading as a process involving oral language, phonological and phonemic awareness, phonics, fluency, vocabulary, and comprehension”; and

WHEREAS, the Leandro Action Plan identified “a qualified and well-prepared teacher in every classroom” as one of North Carolina’s eight critical needs; and
WHEREAS, the UNC System has an obligation to ensure that teaching candidates are prepared, through rigorous coursework and clinical experiences, to be as effective as possible on day one; and

WHEREAS, the UNC System’s Educator Preparation Advisory Group has set goals and identified associated metrics for teacher preparation that reflect that obligation.

NOW, THEREFORE, BE IT RESOLVED, that the Board of Governors shall:

• Adopt System-wide teacher preparation goals and associated metrics that reflect the work of the Educator Preparation Advisory Group and state accountability metrics in SB 599 and HB 107;

• Require the System Office to report data on those goals and metrics to relevant Board of Governors committees no later than January of 2021 and annually thereafter;

• Task the UNC System, in consultation with educator preparation and literacy experts from within and outside North Carolina, to develop a common framework for literacy instruction in teacher preparation that will be adopted by all educator preparation programs in the System and an associated implementation sequence;

• Ensure that the literacy framework is based on the abundance of evidence on effective reading instruction, complies with state law and regulation, and ensures that teaching candidates receive explicit, systematic, and scaffolded instruction in the essential components of reading;

• Require the System Office to report on the development of that framework no later than June 2021, and to review and report on the adoption and implementation of the framework by educator preparation programs no later than June of each year, beginning in June 2022 and concluding in June 2025; and

• Require the System Office to work with leading programs in the System to identify or create a professional development model for in-service teachers that is aligned with the literacy framework, with the intention of piloting that model by summer 2021 if funding is available.

This the 17th day of April 2020

___________________________________  ____________________________________
Randall C. Ramsey, Chair                                Secretary
AGENDA ITEM

A-3. Information Session: Student Loan Debt.................................................................................. Andrew Kelly

Situation: The committee will hear a presentation on trends in student loan debt nationally and within the UNC System, the implications for state policy and institutional practice, and alternatives to student debt.

Background: Student loan debt has grown considerably over the past decade, rising to $1.6 trillion in total debt outstanding in 2019. Nationally, about 65 percent of bachelor’s degree recipients from four-year universities rely on student loans to help finance their college education. In 2018, the average student loan debt among borrowers who graduated from a four-year university was $29,200. Data indicate that an increasing number of loan borrowers are struggling to repay their loans and enrolling in income-based repayment plans offered by the federal government. Concerns about the trends in student debt and loan defaults have led policymakers to seek to understand the scope of the issue, identify areas of concern, and look into possible solutions.

Student loan debt has grown among the students in the UNC System, though the average debt load of graduates remains below national averages. There has been less analysis of how debt loads and repayment outcomes vary across different groups of students, family income, time to graduation, and other characteristics.

Assessment: In this session, the committee will hear a presentation on the latest data on student loan debt nationally and across the UNC System.

Action: This item is for discussion only.
Overview

• The basics
• Why is the topic of student loan debt coming up now?
• What does the research on student loan debt show?
• How does this research apply to the UNC System?
The Basics
Student Loan Debt: Data Sources

National

All 4-Year Colleges or a Sample

National Context

Public
Private Non-Profit
Private For-Profit
UNC System

UNC System
Today more than half of all undergraduate students borrow to attend 4-year colleges.

The Percentage of All Undergraduate Students Receiving a Federal Student Loan in Academic Year 2017-18

- Private Non-Profit: 67%
- Public: 55%
- Private For-Profit: 74%

Source: IPEDS
During FY 2017 and FY 2018, over 10 million federal student loan borrowers graduated or withdrew from U.S. 4-year colleges with median federal debt around $16,000.

**Median Federal Undergraduate Student Loan Debt Upon Separation Among Borrowers at 4-Year Colleges FY 2017 and FY 2018 (Pooled Cohorts)**

<table>
<thead>
<tr>
<th>Type</th>
<th>Median Debt</th>
<th>Students</th>
</tr>
</thead>
<tbody>
<tr>
<td>Public</td>
<td>$15,652</td>
<td>4.45 m</td>
</tr>
<tr>
<td>Private Non-profit</td>
<td>$16,592</td>
<td>1.59 m</td>
</tr>
<tr>
<td>For-Profit</td>
<td>$16,433</td>
<td>4.15 m</td>
</tr>
</tbody>
</table>

Source: Federal Student Aid Data Center, Enterprise Data Warehouse/College Scorecard; Weighted average of institutional medians.

How is median debt measured in the College Scorecard?

“This is the median loan debt accumulated at the institution by all student borrowers of federal loans who separate (i.e., either graduate or withdraw) in a given fiscal year, measured at the point of separation. More specifically, the measure represents the sum of all undergraduate federal loans over students’ college education at the institution for which the median debt is reported for... At institutions where large numbers of students withdraw before completion, a lower median debt level could simply reflect the lack of time that a typical student spends at the institution.”

Source: Federal College Scorecard
Among graduates in FY2017/18, borrowers left with $22,500 and $31,000 in federal loan debt, on average, from the institution they graduated from.

Graduates Only: Average Federal Undergraduate Student Loan Debt and Number of Borrowers at 4-Year Colleges FY 2017 and FY 2018 (Pooled Cohorts)

- **Public**: Average Median Debt Load = $22,424, 2.3 million graduates
- **Private Non-profit**: Average Median Debt Load = $23,374, 817,000 graduates
- **For-Profit**: Average Median Debt Load = $30,919, 1.54 million graduates

Source: Federal Student Aid Data Center, Enterprise Data Warehouse/ College Scorecard
Weighted average of institutional medians. NOTE: Only includes debt accumulated at that institution.
Six-figure debts are the exception, not the rule (and almost always result from graduate/professional school)

• Just **7 percent** of student loan borrowers owe $100,000 or more.

• Among public university graduates, **12 percent** owed more than $40,000.

• Federal loan programs have a lifetime limit of **$31,000** for dependent undergraduates ($57,500 for independents). Graduate PLUS loans have no lifetime limit.

• Undergraduate borrowers make up **75 percent** of all federal loan borrowers and hold **50 percent** of the outstanding debt; graduate students make up 25 percent of borrowers and hold the other 50 percent.

Sources: College Board, *Trends in Student Aid* 2019
Six-figure debts are the exception, not the rule (and almost always result from graduate/professional school)

Share of Borrowers and Share of Debt by Outstanding Balance, Q2 FY2019

- Less than $5,000: 1% Borrowers, 17% Debt
- $5,000 to $9,999: 4% Borrowers, 17% Debt
- $10,000 to $19,999: 9% Borrowers, 21% Debt
- $20,000 to $39,999: 9% Borrowers, 18% Debt
- $40,000 to $59,999: 6% Borrowers, 14% Debt
- $60,000 to $79,999: 3% Borrowers, 12% Debt
- $80,000 to $99,999: 5% Borrowers, 8% Debt
- $100,000 to $199,999: 2% Borrowers, 15% Debt
- $200,000 or More: 5% Borrowers, 20% Debt

Source: College Board, Trends in Student Aid 2019
In the UNC System, 97% of undergraduates leave school with less than $40,000 or more in federal loan debt.

Among UNC System students who started in 2012 or 2013:

- 55% had borrowed <$10,000
- 71% had borrowed <$20,000
- 97% had borrowed <$40,000

six years later.

Source: UNC Data Mart
Yet: Nationally, large numbers of borrowers are struggling to repay their student loans

Nationally, the average repayment rate across all colleges has declined

-9 percentage points

since 2006-07.

How is the repayment rate measured?

“The repayment rate depicts the fraction of borrowers at an institution who are not in default on their federal loans and who are making progress in paying them down (i.e. have paid down at least $1 in the initial balance on their loans) after entering repayment.”

Source: College Board, Trends in Student Aid 2019
Note: We focus on federal loans because 88% of student debt is in the form of federal loans.

2018-19 Percent Of Total Federal And Non-Federal Loans In 2018 Dollars By Type Of Loan

- Federal Unsubsidized Loans, 46%
- Federal Subsidized Loans, 19%
- Federal Parent PLUS Loans, 12%
- Federal Grad PLUS Loans, 10%
- Non-Federal Loans, 12%
Student loan debt had been in the news lately. Why is that?
The percentage of people using loans to finance college has increased.

The number of people who used debt to pay for some of college is:

- **31 percentage points** higher for bachelor’s degree holders and
- **37 percentage points** higher for graduate degree holders

for Americans under 29 years old compared to those 60+ years old.

Source: Federal Reserve SHED 2020
Total student loan debt outstanding has risen significantly post-recession.

In Q3 2019, the US had $1.5 trillion in outstanding student loan debt.

While mortgages are the largest source of household debt, in 2010 student loan debt surpassed credit card debt in 2010 as the 2nd largest source of household debt.

As a percentage of all household debt, student loan debt has increased from 3% in 2003 to 11% in 2019.

Source: New York Fed Consumer Credit Panel/Equifax
Total student loan debt outstanding has risen significantly post-recession.

In Q3 2019, the US had $1.5 trillion in outstanding student loan debt.

While mortgages are the largest source of household debt, in 2010 student loan debt surpassed credit card debt in 2010 as the 2nd largest source of household debt.

As a percentage of all household debt, student loan debt has increased from 3% in 2003 to 11% in 2019.

Source: New York Fed Consumer Credit Panel/Equifax
The number of borrowers has been a bigger driver of the increase in outstanding debt than increases in amounts borrowed.

Between 1998 and 2018, increases in total outstanding student loan debt are driven largely by increases in the number of borrowers (up 58%) and less so by increases in the amount per borrower (up 4.3%).

Source: College Board Trends in Student Aid 2019
The percentage of undergraduates taking on loans has increased.

Between 1998 and 2017 the percent of enrolled students receiving student loans has:

- **↑ 13 percentage points** for Private For-profit Colleges
- **↑ 3 percentage points** for Private Non-profit Colleges
- **↑ 10 percentage points** for Public Colleges

Source: IPEDS
The percent of outstanding student loan debt that is delinquent has increased since the early 2000s.

Between 2003 and 2019, the percent of outstanding student loan debt that was delinquent rose 4.6 percentage point from 6.3% in 2003 to 10.9% in 2019 with a high of 11.8% in 2013.

In 2012, student loan delinquency surpassed delinquency on credit card debt

Source: New York Fed Consumer Credit Panel/Equifax
Why is the topic of student loan debt coming up now?

• Student Loan Debt Facts. Since the early 2000s:
  • Surpassed credit cards as the second largest source of U.S. household debt
  • ↑ Percentage of people using loans to pay for college
  • ↑ Number of annual borrowers
  • ↑ Average loan amount
  • Surpassed credit cards as the largest source of delinquent debt

• While many of these trends have leveled off or even begun to reverse post-recession:
  • Default/ delinquency rates remain relatively high
  • Many people have student loan debt but no degree
  • Gaps by race, gender, and income in borrowing and default rates
What does research suggest about the impact of student loan debt on access and success?
Finding 1: College is generally a sound financial investment.

Research findings and supporting data:

• Increased earnings premium for college graduates relative to high school grads\(^2\)

• Expected lifetime earnings of a college graduate $500,000 greater than a high school graduate\(^3\)

• Unemployment rates for those college degrees remains lower than those without\(^4\)

\(^1\) Greenstone & Looney, 2011  \(^2\) Goldin & Katz, 2008; March CPS, 2009  
\(^3\) Avery & Turner, 2016  \(^4\) Bureau of Labor Statistics
Finding 1: College is generally a sound financial investment.

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\(^1\)Greenstone & Looney, 2011  \(^2\)Goldin & Katz, 2008; March CPS, 2009  
\(^3\)Avery & Turner, 2016  \(^4\)Bureau of Labor Statistics

Finding 2: However, *degree completion* is key to capitalizing on student loan borrowing

Those who drop-out before earning a degree (gray bars) do not experience nearly as high a return on investment as graduates (blue bars).

Nationally, about \( \frac{2}{3} \) of public college freshmen graduate in six years, leaving many students who attempt college with debt and no degree.
Finding 2: However, degree completion is key to capitalizing on student loan borrowing

**Median Debt Upon Separation from Public 4-Year U.S. Colleges by Completion Status**

- Graduated: $22,424
- Withdrew: $8,852

**Median 5-Year Repayment Rate by Graduation Status at Public 4-Year U.S. Colleges**

- Graduated: 78%
- Withdrew: 57%

Source: College Scorecard
Median debt: FY 2017 and FY 2018 Pooled Cohorts
Repayment rates: NSLDS pooled FY2011, FY2012 cohorts measured in FY2016, FY2017
Finding 2: However, *degree completion* is key to capitalizing on student loan borrowing

Research shows that default rates are *highest* among borrowers with the *lowest* debts

Source: Looney and Yannelis, 2018
Finding 3: Borrowing student loans has been associated with increased student success.

Taking out student loans...

↑ Credit Hours
↑ STEM Courses
↑ GPA
↑ Retention
↑ Graduation

Sources: 1 Marx & Turner, 2018; Wiederspan, 2016  2 Wiederspan, 2016  3 Barr, Bird, Castlemen, 2019; Marx & Turner, 2018  4 5 Chen & DesJardins, 2010; Chen & DesJardins, 2008; Herzog, 2005; Singell, 2002; Singell 2004
Finding 3: Taking out student loans has been associated with increased student success. Why?

Student loans provide funds so that students can afford college and living expenses, which can:

- Pressure to work more hours (and free up more time to study)
- Financial anxiety and stress

- Research suggests that financial need and anxiety about finances can have a negative effect on student success (Oseguera & Rhee, 2009; Herzog, 2005)
- Two recent experimental studies highlight the important relationship between borrowing and student success.
  - In one, students were randomly assigned to receive text messages that encouraged them to be careful about borrowing too much (Barr, Bird & Castleman, 2019). These counseling reduced borrowing, but it also reduced GPA’s and credits earned.
  - In another, students at a community college were randomly chosen to be informed about loan eligibility. Those who learned about eligibility were more likely to borrow, and also had higher GPA’s, more credits earned, and were more likely to transfer to a four-year college (Marx & Turner, 2018).
Summary

• The ROI of a college education is typically high. That high return is largely contingent on completion.

• Loans can increase the chance of completion, but can be costly for non-completers.
How do these patterns look within the UNC System?
Student Loan Debt Data Sources

National Context
- Public
- Private Non-Profit
- Private For-Profit
- UNC System

UNC System
- UNC System

National
- All 4-Year Colleges or a Sample
Students who withdraw without a degree typically have much less debt than their peers who stayed and graduated...

**Median Debt Upon Separation from 4-Year U.S. Colleges by Completion Status**

*(Weighted Averages of Medians, FY 2017 and FY 2018 Pooled Cohorts)*

<table>
<thead>
<tr>
<th></th>
<th>Graduated</th>
<th>Did not Graduate (Withdraw)</th>
<th>Percent Graduated</th>
</tr>
</thead>
<tbody>
<tr>
<td>Private For-Profit</td>
<td>1,539,852</td>
<td>2,607,487</td>
<td>37%</td>
</tr>
<tr>
<td>Private Non-Profit</td>
<td>817,447</td>
<td>777,632</td>
<td>51%</td>
</tr>
<tr>
<td>Public</td>
<td>2,310,269</td>
<td>2,143,422</td>
<td>52%</td>
</tr>
<tr>
<td>UNC System</td>
<td>50,721</td>
<td>36,094</td>
<td>58%</td>
</tr>
</tbody>
</table>

Source: College Scorecard
Non-completers are far more likely to struggle to repay their loans.

Median Repayment Rate by Graduation Status Measured over Years* from Entering Repayment from 4-Year U.S. Colleges

*3-year repayment rate is NSLDS pooled FY2013, FY2014 cohorts measured in FY2016, FY2017; 5-year repayment rate is NSLDS pooled FY2011, FY2012 cohorts measured in FY2016, FY2017; 7-year repayment rate is NSLDS pooled FY2009, FY2010 cohorts measured in FY2016, FY2017

Source: College Scorecard
Student Loan Debt Data Sources

National

All 4-Year Colleges or a Sample

National Context

Public

Private Non-Profit

Private For-Profit

UNC System

UNC System
Distribution of Student Loans by Graduation Status
(Students beginning in Fall 2012-Fall 2013 after 6 years)

Averages and medians are informative, but do not tell the whole story.

The distribution of debt varies significantly across students and between universities.

<table>
<thead>
<tr>
<th>GRADUATED IN 6 YEARS</th>
<th>NO LOANS</th>
<th>LOANS</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yes</td>
<td>38%</td>
<td>62%</td>
</tr>
<tr>
<td>No</td>
<td>33%</td>
<td>67%</td>
</tr>
</tbody>
</table>

Source: UNC Data Mart
Distribution of Student Loans by Graduation Status
(Excluding non-borrowers; Students beginning in Fall 2012-Fall 2013 after 6 years)

Source: UNC Data Mart
Income: Students from the lowest-income families end up borrowing the most and graduate at lower rates.

Expected Family Contribution (EFC): Designed to measure a family’s financial strength that is calculated according to a formula established by federal law.
Income: Students receiving Pell grants take on about $3,000 in additional debt on average compared to their peers.

**Median Loan Amount Among Borrowers by Graduation Status and Pell Grant Status**
(Students beginning in Fall 2012-Fall 2013 after 6 years)

<table>
<thead>
<tr>
<th></th>
<th>Did Not Graduate</th>
<th>Graduated</th>
<th>Percent Graduated</th>
</tr>
</thead>
<tbody>
<tr>
<td>No Pell</td>
<td>$6,500</td>
<td>$21,500</td>
<td>67%</td>
</tr>
<tr>
<td>Pell</td>
<td>$9,917</td>
<td>$24,740</td>
<td>62%</td>
</tr>
</tbody>
</table>

84% of Pell students receive loans compared to 46% of Non-Pell students. The percent of Pell students who graduate is 5 percentage points lower than non-Pell students (both with loans and without loans).

Source: UNC Data Mart
Race: African American students tend to have more debt than their white peers and graduate at significantly lower rates.

A higher percentage of African American students receive loans:

- **84%** African American
- **46%** White

African American students have higher debt amounts than their white peers:

- **21% more** (Among Graduates)
- **32% more** (Among Non-Graduates)

**Median Loan Amount Among Borrowers by Graduation Status and Race**

(Students beginning in Fall 2012-Fall 2013 after 6 years)

Did not Graduate | Graduated
---|---
Black or African American | $10,944 | $27,317
White | $7,424 | $21,480

**Number of Borrowers**

<table>
<thead>
<tr>
<th>Race</th>
<th>Did Not Graduate</th>
<th>Graduated</th>
<th>Percent Graduated</th>
</tr>
</thead>
<tbody>
<tr>
<td>Black or African American</td>
<td>8,597</td>
<td>10,207</td>
<td>54%</td>
</tr>
<tr>
<td>White</td>
<td>10,333</td>
<td>23,516</td>
<td>69%</td>
</tr>
</tbody>
</table>

Source: UNC Data Mart
Gender: While men and women in the UNC System have similar debt amounts, women are more likely to borrow and graduate at higher rates.

66% of female students receive loans compared to 61% of male students.

The percent of female students who graduate is $\uparrow$5 percentage points higher than male students (both with loans and w/o).

<table>
<thead>
<tr>
<th>Gender</th>
<th>Did Not Graduate</th>
<th>Graduated</th>
<th>Percent Graduated</th>
</tr>
</thead>
<tbody>
<tr>
<td>Female</td>
<td>12,427</td>
<td>24,387</td>
<td>66%</td>
</tr>
<tr>
<td>Male</td>
<td>10,069</td>
<td>15,958</td>
<td>61%</td>
</tr>
</tbody>
</table>

Source: UNC Data Mart
**Time to Degree Also Matters:**
The longer a student takes to graduate, the more debt they accumulate.

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**Median Loan Amount Among Borrowers who Graduated, by the Number of Fall or Spring Terms Enrolled**

<table>
<thead>
<tr>
<th>Number of Terms Enrolled</th>
<th>Number of Borrowers</th>
</tr>
</thead>
<tbody>
<tr>
<td>6 or Fewer</td>
<td>999</td>
</tr>
<tr>
<td>7 to 8</td>
<td>16,255</td>
</tr>
<tr>
<td>9 to 10</td>
<td>7,276</td>
</tr>
<tr>
<td>11 to 12</td>
<td>898</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>25,428</strong></td>
</tr>
</tbody>
</table>

Source: UNC Data Mart

Median Cumulative Debt Amount

Includes first-time, full-time students beginning in Fall 2012 or Fall 2013 after 6 years

Source: UNC Data Mart
Key Questions for Discussion

• How do we know whether students are taking on “too much” debt?

• How do debt-loads and repayment outcomes vary by field of study?

• How can we get more students who are within a semester or two of graduating over the finish line?

• Are there parts of the Cost of Attendance that can be addressed (i.e., the cost of books and supplies can be lowered through Open Educational Resources)?

• Are there alternatives to student loans that may be worth considering (i.e., Income-share Agreements)?
Appendix and Additional Data
The federal College Scorecard provides institution-level data on student debt, loan repayment, employment outcomes, completion rates, and other measures (the student-level data underlying the Scorecard data are not available to the public). The most common debt measure is the median debt among student borrowers at a given institution.

**How is median debt measured in the College Scorecard?**

“This is the median loan debt accumulated at the institution by all student borrowers of federal loans who separate (i.e., either graduate or withdraw) in a given fiscal year, measured at the point of separation. More specifically, the measure represents the sum of all undergraduate federal loans over students’ college education at the institution for which the median debt is reported for…

At institutions where large numbers of students withdraw before completion, a lower median debt level could simply reflect the lack of time that a typical student spends at the institution.”

**How is the repayment rate measured?**

“The repayment rate depicts the fraction of borrowers at an institution who are not in default on their federal loans and who are making progress in paying them down (i.e. have paid down at least $1 in the initial balance on their loans) after entering repayment.

Since students who graduate may not immediately enter repayment due to either their 6-month grace period or being granted deferment because of hardship or upon entering graduate school, students are likely to enter repayment in a different year than when they exit (and are captured in the median cumulative debt metric).”
There are different ways to calculate “averages” across institutions using these institution-level median debt statistics from the College Scorecard. The table below shows the average debt for graduates from UNC, public four-year, private nonprofit four-year and private for-profit four-year colleges under different methods.

<table>
<thead>
<tr>
<th>Calculation method</th>
<th>UNC</th>
<th>All Public</th>
<th>Private non-profit</th>
<th>Private for-profit</th>
</tr>
</thead>
<tbody>
<tr>
<td>Weighted average of institutional medians (median monthly payment)</td>
<td>$22,622</td>
<td>$22,424</td>
<td>$23,374</td>
<td>$30,919</td>
</tr>
<tr>
<td></td>
<td>($235/mo)</td>
<td>($233/mo)</td>
<td>($243/mo)</td>
<td>($321/mo)</td>
</tr>
<tr>
<td>Simple Median</td>
<td>$23,381</td>
<td>$21,500</td>
<td>$25,000</td>
<td>$30,750</td>
</tr>
<tr>
<td></td>
<td>($243/mo)</td>
<td>($223/mo)</td>
<td>($259/mo)</td>
<td>($319/mo)</td>
</tr>
<tr>
<td>Simple average of institutional medians</td>
<td>$23,525</td>
<td>$21,263</td>
<td>$23,860</td>
<td>$28,243</td>
</tr>
<tr>
<td></td>
<td>($244/mo)</td>
<td>($221/mo)</td>
<td>($247/mo)</td>
<td>($293/mo)</td>
</tr>
</tbody>
</table>
Additional Research: College type also appears to be related to borrowing, employment outcomes, and loan default, even after controlling for student characteristics.

The Looney & Yannelis study found for-profit colleges made up 26% of the increase in borrowers between 2000 and 2014.

Students from for-profit colleges had higher default rates, lower repayment rates, higher unemployment rates, and lower earnings when compared to other college types.

This combination of increasing enrollments and poor outcomes leads for-profit colleges to be a significant driver of the worsening student loan debt indicators shown earlier.

Additional UNC Data
There is considerable variation in the distribution of loan debt across UNC universities

(Note the large number of students at University A that do not borrow federal loans)
After removing the students with no federal student loans, there are still noticeable differences in the distribution of loan balances.
Loan amounts are similar for graduates and non-graduates with the same number of terms enrolled.

Median Loan Amount Among Borrowers for First-Time Students by the Number of Fall or Spring Terms Enrolled (Students beginning in Fall 2012-Fall 2013 after 6 years)

<table>
<thead>
<tr>
<th>Number of Fall or Spring Terms Enrolled</th>
<th>Did not Graduate</th>
<th>Graduated</th>
</tr>
</thead>
<tbody>
<tr>
<td>6 or Fewer</td>
<td>11,931</td>
<td>999</td>
</tr>
<tr>
<td>7 to 8</td>
<td>1,456</td>
<td>16,255</td>
</tr>
<tr>
<td>9 to 10</td>
<td>1,018</td>
<td>7,276</td>
</tr>
<tr>
<td>11 to 12</td>
<td>410</td>
<td>898</td>
</tr>
<tr>
<td>Total</td>
<td>14,815</td>
<td>25,428</td>
</tr>
</tbody>
</table>

Just under 3,000 students who did not earn a degree w/in six years had enrolled for 7 semesters or more

Source: UNC Data Mart
While students are the primary federal loan borrowers, their parents are able to borrow as well through the Parent PLUS program.

Distribution of Total Loan Dollars Between Students and Parents by Expected Family Contribution (EFC) (Students beginning in Fall 2012-Fall 2013 after 6 years)

Source: UNC Data Mart