

**NC Association of Student Financial Aid Administrators
Remarks from UNC System President Peter Hans
October 2020**

Good morning and thank you all so much for inviting me to join you.

I'm Peter Hans, President of the University of North Carolina, and I started in August, which equates to about four years in COVID time, I believe. All of us are dealing with disrupted routines and unsettled ways of working, and I know that's especially true of the financial aid community.

I want to begin this morning with a simple and heartfelt thank you to this group. I have been involved in higher education for a long time — as a student, as a Board member, as an advisor to previous UNC Presidents, and as President of the North Carolina Community Colleges. In those decades of often stressful work, there has never been anything remotely comparable to these last eight months.

If any college president had called the financial aid office back in January and said, "You know, I think we should recalculate aid packages for every student on campus based on a new cost of attendance, and then we should do the same thing for the incoming fall class while also administering a huge, complex, politically fraught new federal aid program," ... well, I suspect some of you would have taken early retirement. Or offered some vivid and colorful feedback that might have led to early retirement.

But faced with a completely unreasonable set of demands, you did what financial aid professionals are known for — you made it work. You understood what was at stake for your students and your institutions, and you got it done.

Thousands of students across our state needed emergency support last spring, and you overwhelmingly figured out a way to make it happen.

Thousands of students already committed for the fall needed to have their aid packages reviewed and reassessed as the economy went into a tailspin, and you figured out a way to make it happen.

After decades of lobbying for sensible prior-year aid policies, you had to cope with a year when almost *everyone* had extenuating circumstances or fresh anxieties about affording college. And you figured out a way to make it happen.

I've always found it ironic that aid administrators get accused of being overly rigid or bureaucratic, focused on compliance with the thicket of state, federal, and institutional rules that govern your work. Because the truth is that financial aid counselors and administrators are some of the most innovative and creative minds on campus.

You all have to take those rigid, bureaucratic rules — which seem to change all the time — and make them work in the messy, incredibly complex world of real family finances. You have to protect the integrity of public and institutional dollars while doing your absolute best to meet student needs, and that's a remarkable balancing act. Your ability to manage those tensions, to make sure you're weighing competing interests in service of your school's mission, is at the heart of financial aid. As someone who also has to balance plenty of competing interests in my day-to-day work, I appreciate the professionalism and ethical grounding you all bring to the work.

So truly, thank you. I sincerely hope that none of us ever has to endure a year like this again, and that you'll be able to look back on these trying times with pride at what you accomplished.

Even without the acute crisis of a global pandemic, higher education is facing a hard moment. I think all of us got into this business because we see the good that education does — for the students we serve, for the citizens who benefit from our research, for an economy that has grown and diversified thanks to the inventions and discoveries taking place on our campuses.

And all of that is absolutely true — I don't know anyone who wants to go back to a less-educated, less-dynamic North Carolina. Financial aid has played a vital role in opening up colleges and universities to a more diverse population of students, and I would very much like to see a greater investment in need-based aid to help all of our institutions meet their mission of providing social mobility and opportunity for students of all backgrounds.

But I also worry that as the cost of college has increased over the last few decades — and not just increased, but skyrocketed in many cases — the raw sticker shock of higher education is undermining public confidence. People correctly understand that a college degree is a valuable investment, one of the surest routes to better jobs and a more secure life. If anything, the last two recessions — The Great Recession of 2008-2009, and the pandemic recession we’re in right now — have reinforced the importance of a college education. Workers with a credential or degree have fared far better even in the most challenging economic times.

Which only deepens the frustration, and sometimes the resentment, of families who look at the price tag for a year of college education and conclude that it’s laughably out of reach. That it isn’t meant for working-class, or even middle-class families.

I know that many of the most expensive schools in the country are also some of the most generous with financial aid, and that’s true here in North Carolina. I know that there’s a lot of evidence to suggest that a high-tuition, high-aid model is effective at getting students to graduation, because it gives universities the resources to invest in grants and scholarships and the services that help low-income students succeed. We could spend all morning on the incredible work that those aid programs do for students.

Yet I worry, intensely, about the students we don’t hear from. The students who never make it beyond sticker price. The students who aren’t motivated through high school because everything they’ve seen about the classic “college experience” looks impossibly distant and unattainable.

I worry that we have made a college education a necessity in today’s economy, then effectively priced ordinary families out of the market. That’s a recipe for resentment, for political dysfunction, and for stagnating social mobility. All of which we’ve seen over the last several decades.

Now, obviously, I am not laying all the blame for the nation’s ills on rising tuition. There are a few other factors in play — but that’s a longer discussion...

Yet it’s striking when you have brilliant people like Anne Case and Angus Deaton

at Princeton taking a broad look at America's social troubles and concluding that higher education has become part of the problem. Deaton holds a Nobel Prize in economics, and he spoke at UNC Chapel Hill last week about the sharp divide that has emerged between Americans with a college degree and those without.

It's not just that graduates make more money and have more stable careers, though they do. It's that graduates have higher marriage rates. Better health. More and stronger friendships. Happier and longer lives.

•• And that's a problem when two-thirds of Americans don't have a college degree, and the route to college is perceived — correctly — as favoring wealthier students. We have years of data to show that high-income families are far more likely to send their children to college; far more likely to send their children to selective and well-resourced colleges; and far more likely to help those students make it to graduation.

••• The National Center for Education Statistics released a report last year that showed the highest-income students in 2016 were *fifty percentage points* more likely to be enrolled in college than their lowest-income counterparts. Seventy-eight percent of the high-income students went on to college; only 28 percent of the low-income students.

There are a lot of reasons for that, but one of the biggest is simply cost.

There are two huge priorities I have when it comes to financial aid:

Number one: keep a lid on tuition. A big part of the reason I'm standing before you today — or at least glowing before you on a video screen — is that my parents from little Horseshoe, North Carolina could afford to send me to college on middle-class salaries. My Dad sold insurance and my mom was a bookkeeper, and they were comfortable enough to cover the incredibly low tuition and fees at our public universities. I helped make up the living costs with a part-time job.

That kind of story is increasingly rare today. Even our public universities, with their incredible value, strain the budgets of a typical North Carolina family. NC Promise, which dropped annual tuition to a thousand dollars at three of our

campuses, makes an enormous difference, and we're doing all we can to sustain it and make sure students know about it.

The second major priority is simplifying state aid so that it becomes a genuine incentive for students. We need to make it predictable enough to influence family decisions and compelling enough to convince students that college is meant for them, that scholarships aren't just for "other people."

Many schools have done a great job over the past few years delivering aid notices earlier in the college application process, accelerating their awards thanks to the prior-prior year change so that students can factor the true cost into their college decisions. I applaud that work, and I know it has made a difference.

Right now, the state invests hundreds of millions of dollars a year in scholarships that students often don't learn about until the very end of their college search. That's simply too late to affect decision-making. We can do better. I want students to know they can expect grant aid from North Carolina before they've even applied to college. I want low-income students to hear the message over and over again that their state needs them to succeed, and we're putting scholarship money on the table in a clear and consistent way to make it happen.

Imagine a scenario where every low-income high school student in North Carolina knows that there's a scholarship waiting for them if they study hard and prepare for college; where low-income students know that if they apply to a North Carolina university, they can count on real support. Imagine the message that sends, the conversations that might start with counselors and parents, the incentive that creates to finish applications for admissions and aid.

It would also, incidentally, make your lives easier by making state grants easier to package earlier in the process. There are obviously a lot of details to work out with that kind of change, but I wanted to share the goal we have in mind.

The pressure that all of you face in your roles is extraordinary, and I don't think we can continue to expect college aid administrators to somehow square the circle of rising college costs, increasing returns to education, and deepening frustration with social and economic inequality. Financial aid has a critical role to play in making higher education more equitable, but the burden can't be yours

alone.

I look forward to working with all of you and your colleagues on ways we can strengthen higher education's critical role as an engine of opportunity. That's what universities and community colleges should be all about.

Thank you, again, for all that you do on behalf of our students and citizens. Stay safe and take care of yourselves.