

# College Savings Foundation Conference

March 2015  
Austin, Texas



**WESTERN GOVERNORS UNIVERSITY**  
ONLINE. ACCELERATED. AFFORDABLE. ACCREDITED.

# Western Governors University

## Founded in 1997

### Mission Statement

- The principal mission of Western Governors University is to improve quality and expand access to post-secondary academic opportunity by providing a means for individuals to learn independent of time or place and to earn competency-based degrees and other credentials that are credible to both academic institutions and employers.



# WGU Students

## Student Demographics as of January 2015:

- Over 53,000 students
  - 78% Undergraduate
  - 22% Graduate
- Average age 37; age range 17 to 77
- 72% of WGU students are classified as under-served
- 40% are first generation college students



# WGU Promise

## WGU Promise:

- We help our students achieve their dreams for a degree and career success by providing a personal, flexible, and affordable education based on real world competencies.
  - Marketable Degree
  - Manageable Debt



# Marketable Degree

- WGU supports STEM education through our Teachers' College
  - 15% of the nation's master's degrees
  - 5% of the nation's baccalaureate degrees
- Employer satisfaction (Harris Employer Poll)
  - 99% said that WGU graduates meet or exceed expectations
  - 96% said that their WGU graduates were prepared for their jobs
- Average income increase of \$10,400 in the first one to three years after graduation



# Manageable Debt

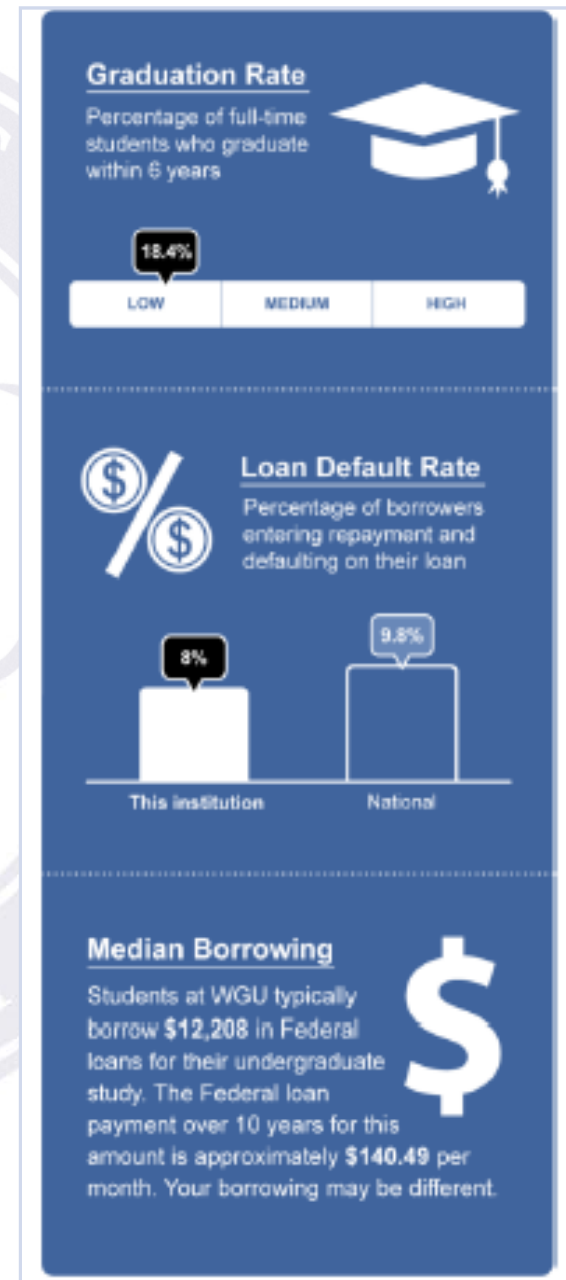
WGU has taken steps to offer an affordable degree program, encourage responsible borrowing, and increase student financial literacy.

- Tuition:
  - About \$6,000 per year (two 6-month terms)
  - Has not increased since 2008
  - Subscription model: fixed price, all you can learn
  - Accelerate time to degree completion
- Average borrower indebtedness goal of \$18,000 (\$19,917)
- Direct costs versus indirect Costs
  - Federal Shopping Sheet
  - Personalized annual My Financial Aid Plan



# Federal Shopping Sheet

- Intended to help the student
  - Identify direct and indirect costs
  - Compare one school to another in some key metrics such as:
    - Graduation Rate
    - Loan Default Rate
    - Median Loan Borrowing
- Challenges
  - Data is fundamentally flawed



# Sample My Financial Aid Plan



## My Financial Aid Plan 2014-2015

Dear Ima Pell,

Thank you for choosing Western Governors University to achieve your educational goals. The information provided in your "My Financial Aid Plan" is an estimate to help you make important financial decisions about your education. The costs and awards listed cover 12 months (two 6-month terms) and assume you are enrolled full-time and living off campus.

### WHAT WILL ATTENDING WGU COST?

Direct Costs (costs that are payable to the school)

Tuition & Fees ..... \$ 6,070

Indirect Costs (estimates for expenses you may incur for living and other education related expenses)

Housing & Meals\* ..... \$ 6,000

Books & Supplies\*\* ..... \$ 200

Other Educational Costs ..... \$ 1,000

Total Cost of Attendance ..... \$ 13,270

\*Because WGU is an online university that has no campus housing, Housing & Meals is an allowance for expenses that a student may experience under varying living situations. Most WGU students cover living expenses through other sources of income.

\*\*Almost all textbooks are included in Tuition & Fees as electronic learning materials. WGU students typically have only modest expenses for Books & Supplies.

### WHAT FINANCIAL AID AM I ELIGIBLE FOR?

Grants & Other Aid (money that typically does not need to be paid back)

Federal Pell Grant ..... \$ 5,645

State Grant ..... \$ 0

Institutional Aid ..... \$ 0

Scholarships ..... \$ 0

Total Grants & Scholarships ..... \$ 5,645

Federal Student Loans (maximum eligibility) ..... \$ 7,625

### WHAT SHOULD I BORROW?

We encourage you to borrow as little as possible. You can borrow up to your maximum loan eligibility through Federal Student Loans listed above. However, we recommend that you limit your borrowing to no more than your unmet direct costs (tuition & fees).

Unmet Direct Costs (Direct Costs less Total Grants & Scholarships) ..... \$ 425

Recommended Loan Amounts (up to unmet direct costs)

Federal Direct Subsidized Loan ..... \$ 425

Federal Direct Unsubsidized Loan ..... \$ 0



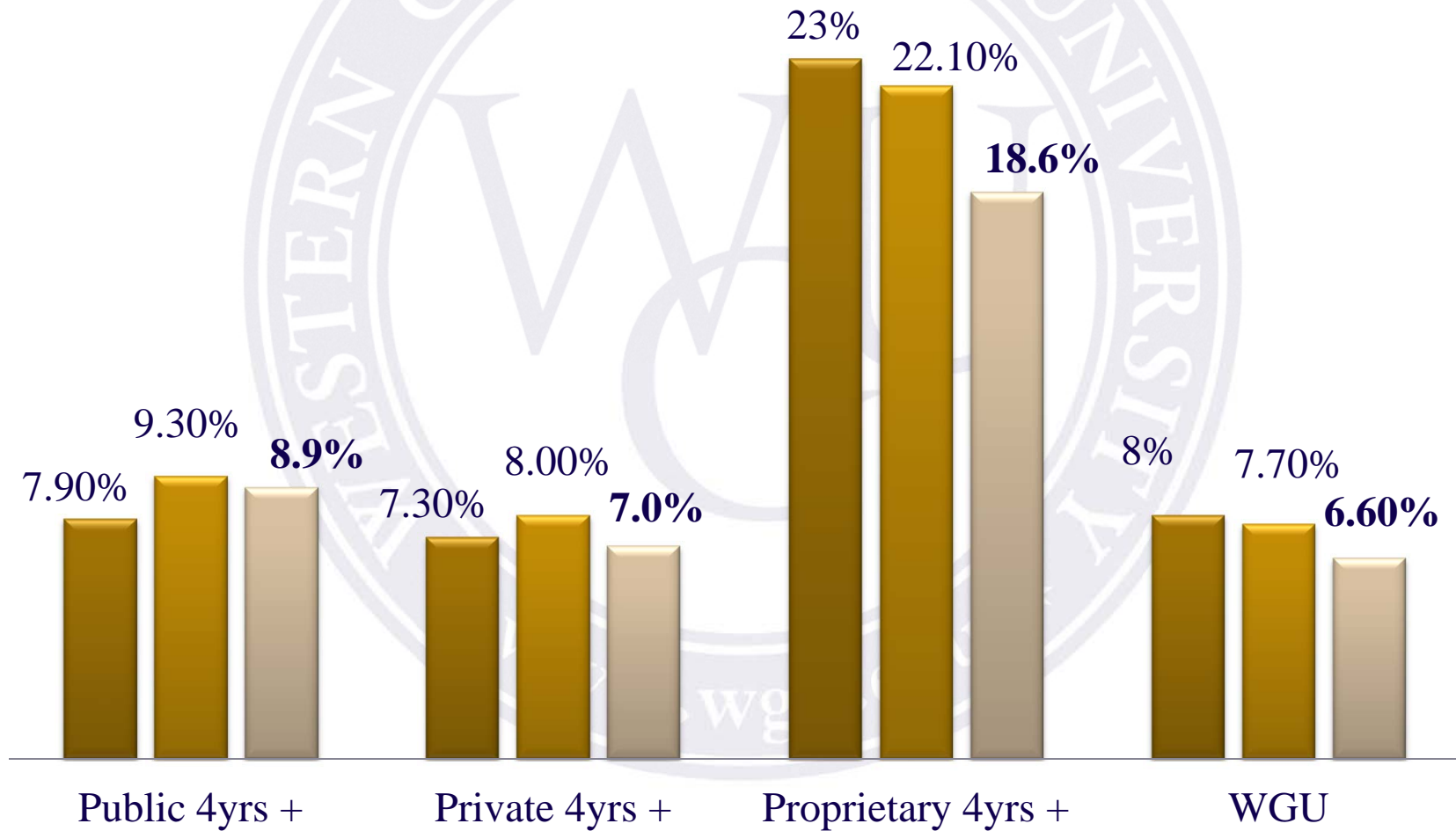


# Responsible Borrowing Initiatives

- During the 2013/2014 Award Year:
  - Close to 42,000 students accepted recommended loan amounts
  - Around 10% of students declined all loans
  - Average borrowing per student (that used loans) decreased by \$2,500/year
  - 29% reduction in student borrowing despite a 17% growth in enrollment
  - WGU students reduced borrowing by nearly 100 million dollar
  - Manageable school loan debt



# National Cohort Default Rate by Sector



# Future College Students

- Assess the value of the degree a college or university offers.
- Help current and future students – and their parents – understand the true direct (and indirect) costs of college.

