

2018 Bethel Study Results

Trends in Affordability & Institutional Financial Health at CCCU Schools

Prepared By:

Dan Nelson: Chief Institutional Data & Research Officer

Stef Holm: Institutional Data & Research Senior Lead

Jeff Olson: Director of Financial Aid

November, 2018



Authors



Stef Holm



Dan Nelson



Jeff Olson

Presentation Overview

1. Survey Participants

- Survey Demographics
- Enrollment
- Packaging
- Competitors

2. Financial Health Indicators

- Tuition & Fee Revenue
- Discount Rates
- Need
- Wealth Index
- Net Tuition Revenue

3. Affordability Indicators

- Cost of Attendance Budgets
- Financial Aid
- Student Debt
- Net Price / Family Ability to Pay

4. Implications for our Schools (discussion)

Survey Participants

- Survey Demographics
- Enrollment
- Packaging
- Competitors

62 Participants – Nov. 18



A Region ▼ SASFAA MASFAA WASFAA RMASFAA EASFAA SWASFAA

<http://batchgeo.com/>



51 Schools Participated in at least 5 of the last 6 Surveys

135 schools participated in at least 1 survey

**Participated
in all 20
surveys*

Arizona Chr. Univ., AZ

Asbury Univ., KY

Bethel Univ., MN*

Biola Univ., CA

Bluefield Coll., VA

Calvin Coll., MI*

Campbellsville Univ., KY

Colorado Chr. Univ., CO

Columbia Internat. Univ., SC

Corban Univ., OR

Cornerstone Univ., MI

Crown Coll., MN

Dordt Coll., IA

Emmanuel Coll., GA

Evangel Univ., MO

Fresno Pacific Univ., CA

Geneva Coll., PA

George Fox Univ., OR

Gordon Coll., MA

Grace Coll., IN

Greenville Coll., IL

Hope International Univ., CA

Houghton Coll., NY*

Huntington Univ., IN

Indiana Wesleyan Univ., IN

John Brown Univ., AR*

Lee Univ., TN

LeTourneau Univ., TX

Lincoln Chr. Univ., IL

Lipscomb Univ., TN

Messiah Coll., PA*

MidAmerica Nazarene Univ., KS

Milligan Coll., TN

Moody Bible Institute, IL

Nyack Coll., NY

Oklahoma Baptist Univ., OK

Oklahoma Chr. Univ., OK

Olivet Nazarene Univ., IL

Point Loma Nazarene Univ., CA

Roberts Wesleyan Coll., NY*

Simpson Univ., CA

Spring Arbor Univ., MI

Sterling Coll., KS

Taylor Univ., IN*

Trevecca Nazarene Univ., TN

Trinity Chr. Coll., IL

Univ. of Northwestern, MN*

Warner Pacific Coll., OR

Westmont Coll., CA*

Wheaton Coll., IL

William Jessup Univ., CA



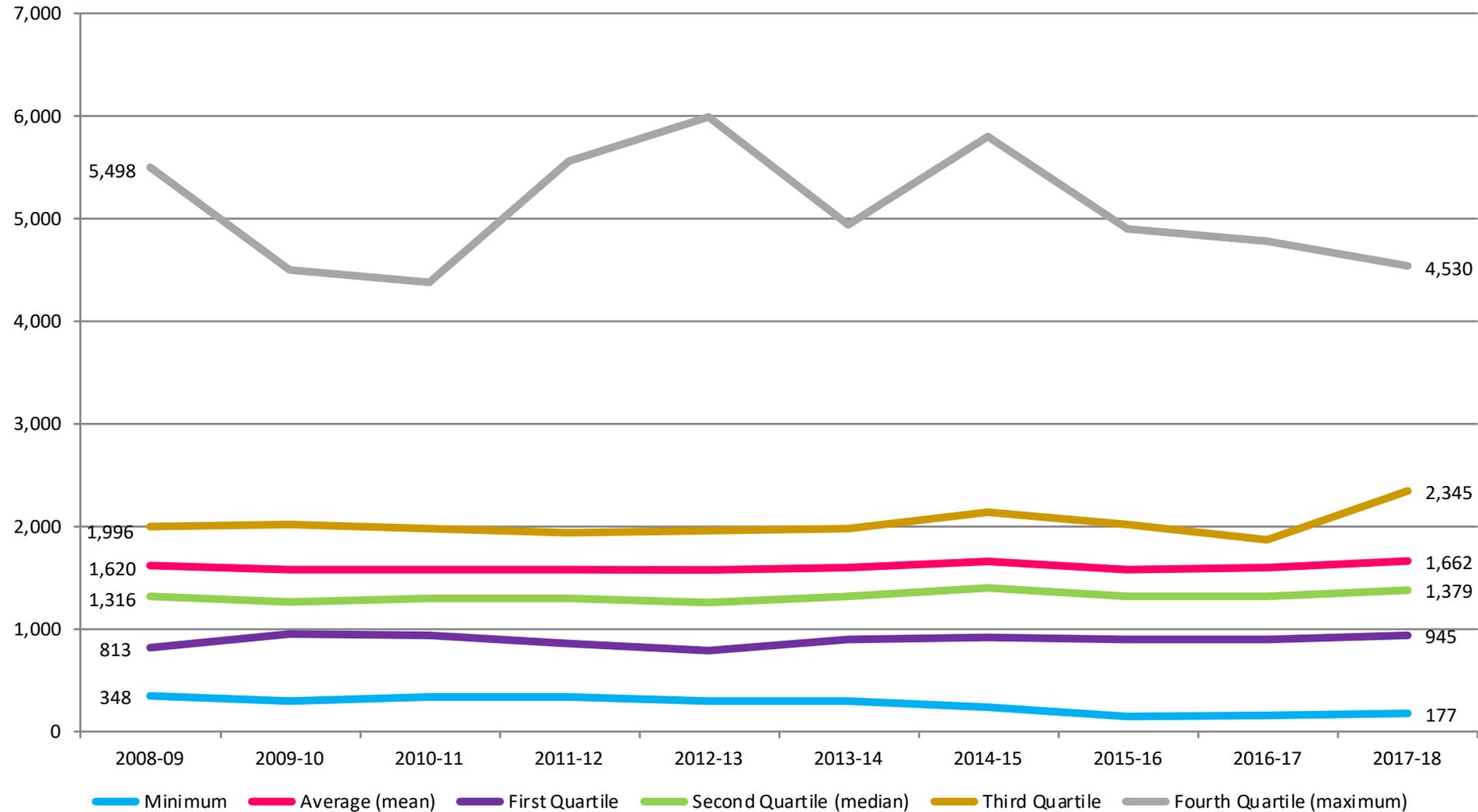
2017-'18 Enrollment (see p. 4)



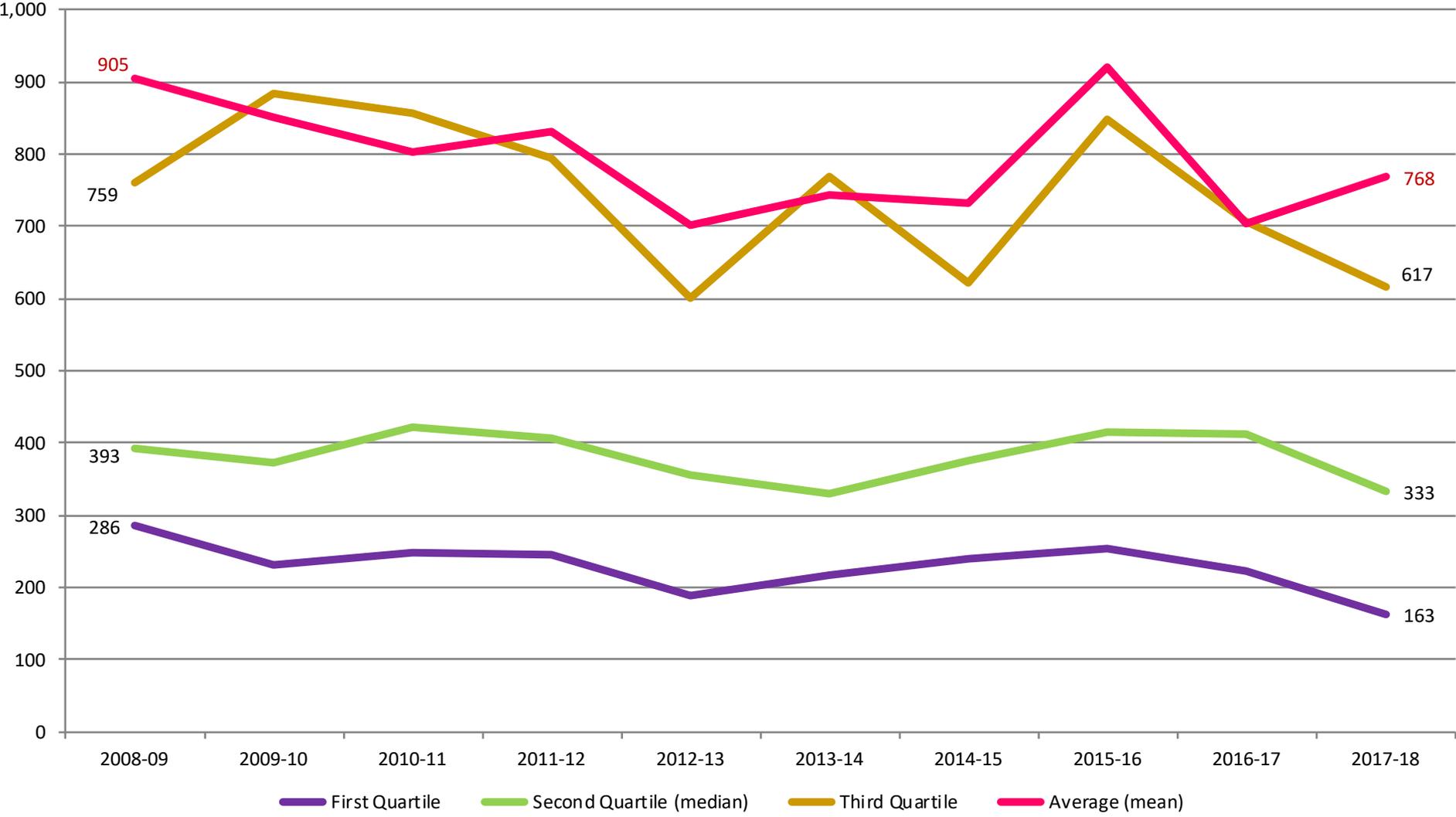
- Of the 62 respondents:
 - 49 (79%) report non-traditional undergrads
 - 56 (90%) report graduate students
- Total Fall '17 undergraduate enrollment in traditional programs was 102,881 (for the 62 reporting schools).
- Total year grad and undergrad enrollment was 206,922 (as reported on FISAP)



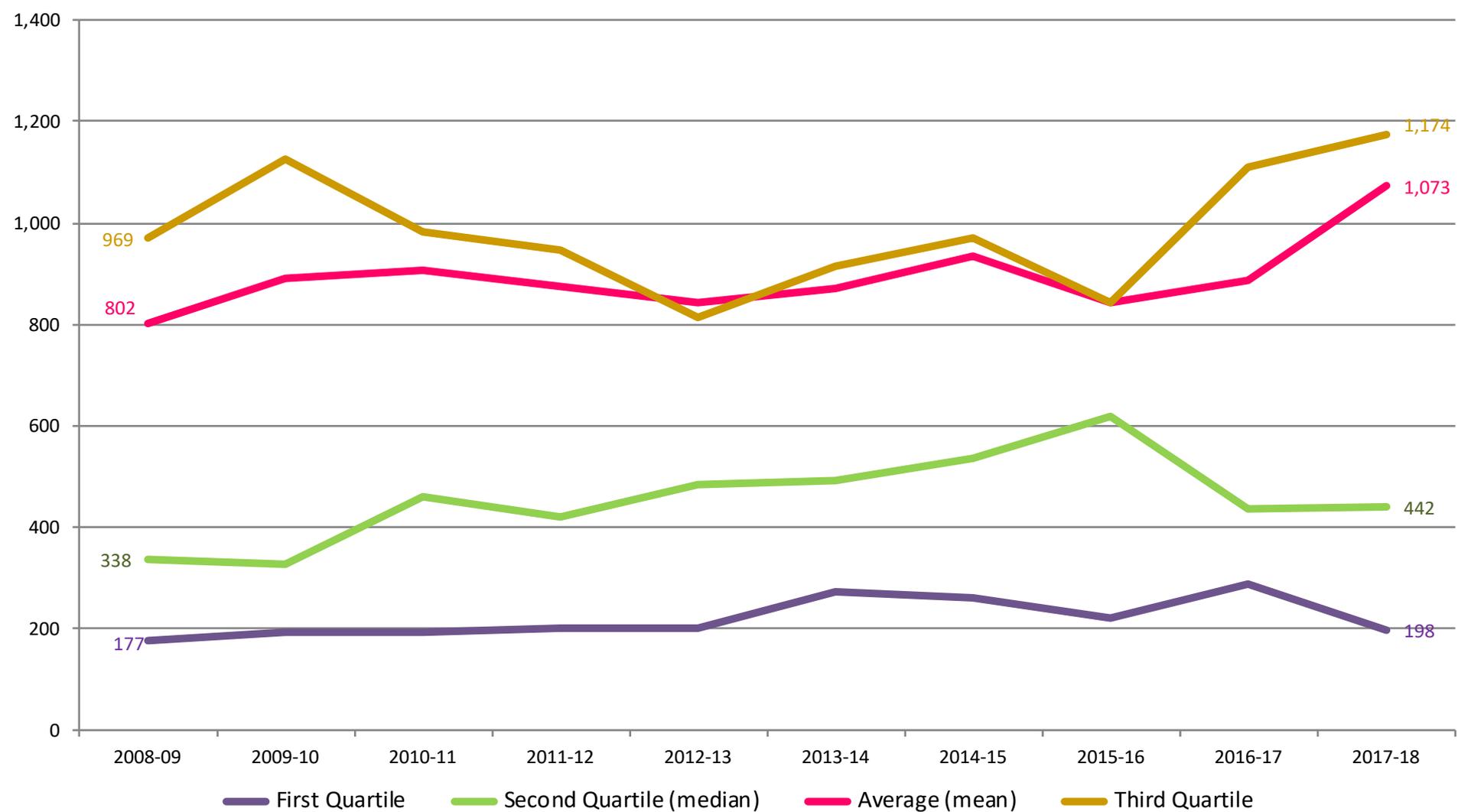
Traditional Undergraduate Enrollment



Other Undergraduate Enrollment



Graduate Enrollment



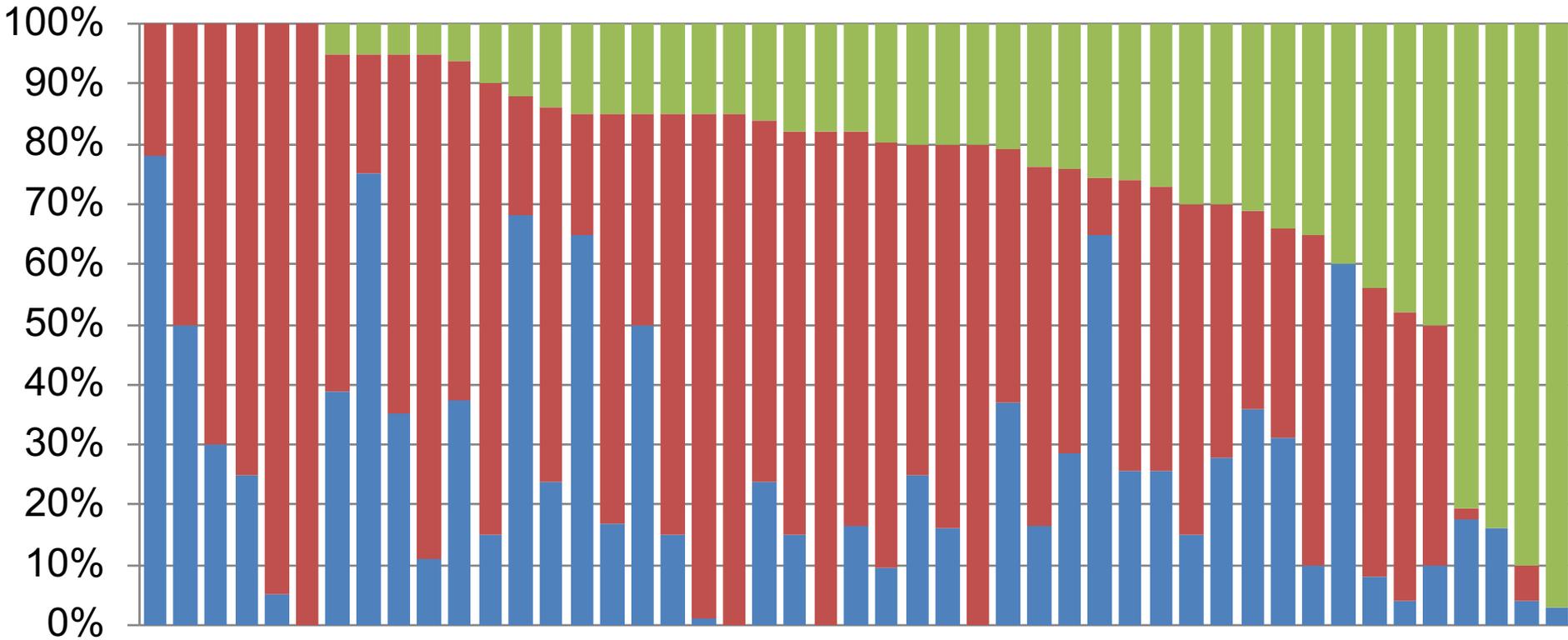
Total Enrollment - All Respondents



	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18
Grad Enrollment	43,840	52,491	60,633	62,954	63,160	61,787	64,377	45,598	48,718	66,547
Other Undergrad Enrollment	37,747	42,527	46,571	51,439	46,293	44,675	40,924	34,961	32,366	37,608
Traditional Undergrad Enrollment	102,192	108,813	120,503	129,805	133,857	127,610	124,456	101,453	100,169	103,046

% of Institutionally Controlled Gift Aid (ICGA)

(p. 242ff.)



Q. Under your current policy, what percent of institutionally controlled gift aid (excluding tuition remission) is awarded based on need, or awarded for Merit/Circumstance, and used to meet need, or awarded for Merit/Circumstance above need?

- Awarded for Merit or Circumstance; Exceeds Need
- Awarded for Merit or Circumstance; Meets Need
- Awarded for Need & Meets Need

Frequently Named Competitors (p. 254ff.)

Times Listed as Competitor

Type of Competition?

- 12 Azusa Pacific University, CA
- 10 Biola University, CA
- 9 Wheaton College, IL
- 8 California Baptist University, CA
- 6 George Fox University, OR
- 6 Indiana Wesleyan University-Marion, IN
- 5 Bethel University, MN
- 5 Westmont College, CA
- 5 Olivet Nazarene University, IL
- 5 Calvin College, MI
- 5 Dordt College, IA
- 5 Whitworth University, WA

- CCCU
 - 2017-18 = 39%
 - 2013-14 = 41%
 - 2009-10 = 42%
- Other Private
 - 2017-18 = 21%
 - 2013-14 = 20%
 - 2009-10 = 21%
- Publics
 - 2017-18 = 40%
 - 2013-14 = 39%
 - 2009-10 = 37%

46% of responding schools identified a public institution as their #1 competitor (24/52)

Q. Who are your top 7-10 competitors (in traditional undergraduate programs)?

Financial Health Indicators: Institution Perspective

- Tuition & Fee Revenue
- Discount Rates
- Need
- Wealth Index
- Net Tuition Revenue



Tuition and Fee Revenue (see p. 18)

- The 62 responding schools reported '17-'18 tuition & fee revenue of \$3.89 Billion
- Extrapolating to the entire CCCU membership, tuition & fee revenue at CCCU schools is over \$6 Billion annually.

Year	Traditional Programs	Non-Traditional Programs	Graduate Programs
'08-'09	81.6%	8.9%	9.5%
'09-10	79.5%	9.3%	11.3%
'10-'11	79.1%	8.8%	12.1%
'11-'12	78.5%	10.0%	11.5%
'12-'13	80.2%	8.2%	11.6%
'13-'14	80.5%	8.5%	11.0%
'14-'15	78.8%	8.8%	12.4%
'15-'16	79.3%	8.5%	12.2%
'16-'17	79.6%	7.3%	13.1%
'17-'18	74.1%	6.9%	19.0%

How Dependent are Schools on Student and Family Loans? (see p. 63)



- Recorded loans (including PLUS) exceed 50% of tuition & fee revenue at only 2 of 62 reporting schools (3%)
 - 2% on 2017 survey
- Loans are less than 30% of tuition and fee revenue at 39 of 62 schools (63%)
 - 52% on 2017 survey
- The median percentage is **27.6%**, compared with
 - 29.3% on 2017 survey
 - 31.0% on 2016 survey
 - 32.9% on 2015 survey



Percentage of 2017-18 Institutional Gift Aid (IGA) that is “funded” (see p. 43)

- The typical (median) school reports that 3.9% of institutional gift aid (not including tuition remission) has a specific funding source (endowed or restricted).
 - 3 schools report that over 15% of IGA is funded.
 - 9 schools report between 10-15% of IGA is funded
 - 15 schools report between 5.0-9.9% of IGA is funded
 - 35 schools report that less than 5% of IGA is funded



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

2017-18 Discount Rates (All Students)

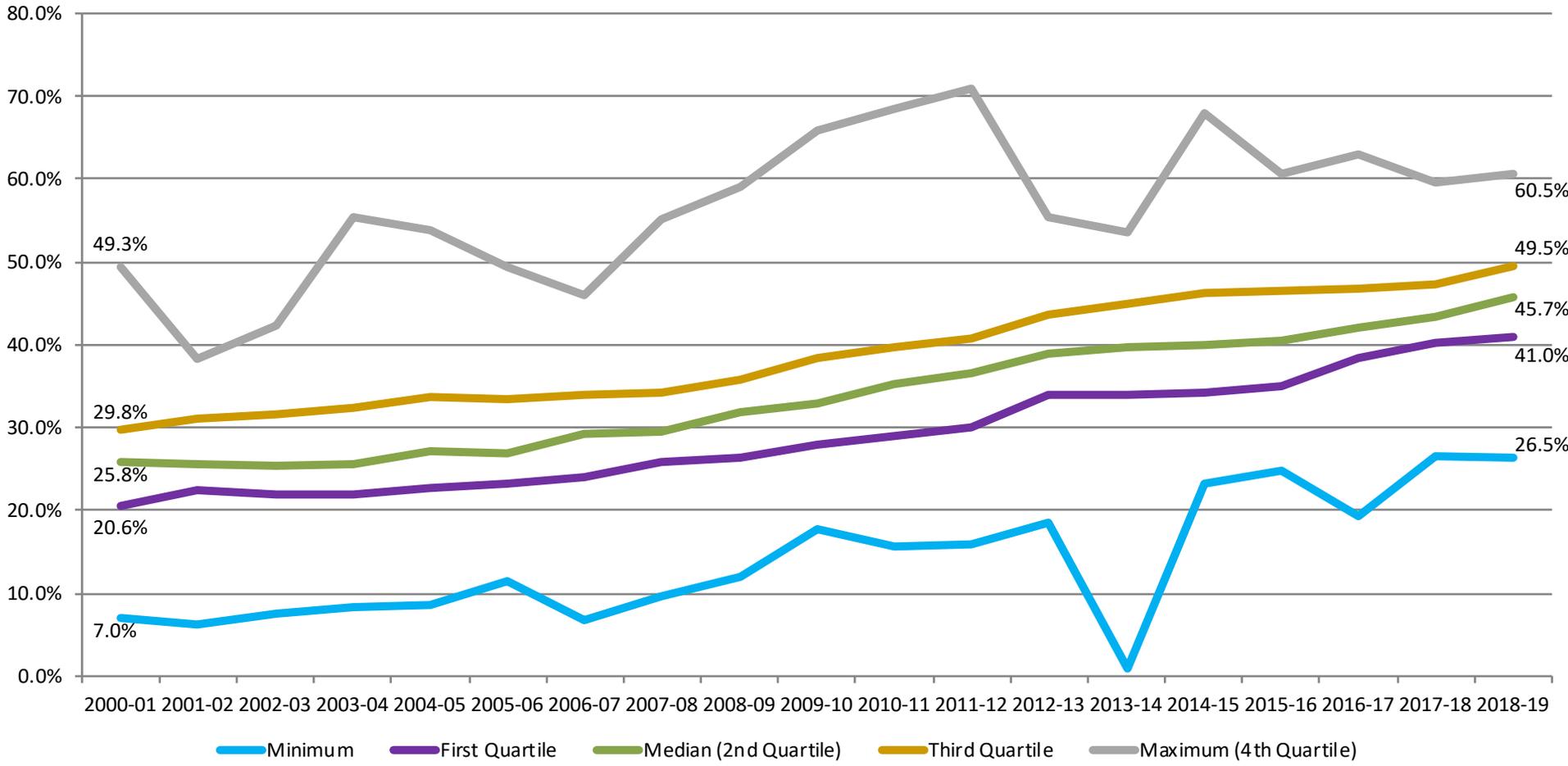
(see pp. 117-122)

- 62 schools reported Unfunded discount rates from 14.5% to 59.5% (next lowest was 26.6%)
 - 1st Quartile: 39.9% (38.5 last year)
 - 2nd Quartile (median): **43.3%** (41.9% last year)
 - 3rd Quartile: 47.4% (46.7% last year)
- The NACUBO discount rate for the same schools ranged from 29.5% to 61.0%
 - 1st Quartile: 43.2% (41.3% last year)
 - 2nd Quartile (median): 46.1% (43.8% last year)
 - 3rd Quartile: 50.2% (50.6% last year)



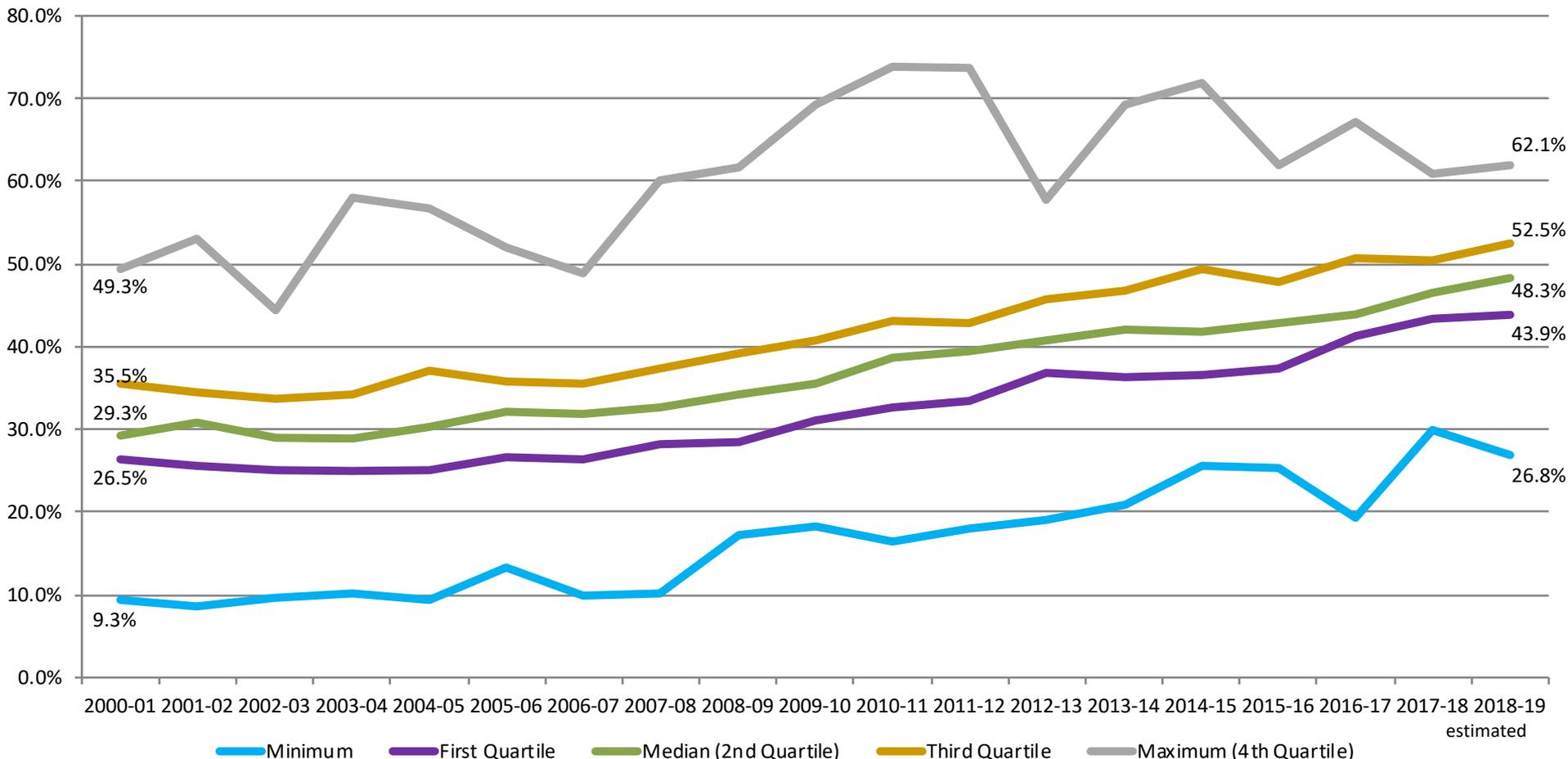
Unfunded Discount Rates in CCCU Schools

Traditional Undergraduate Programs
(2018-19 data is estimated)



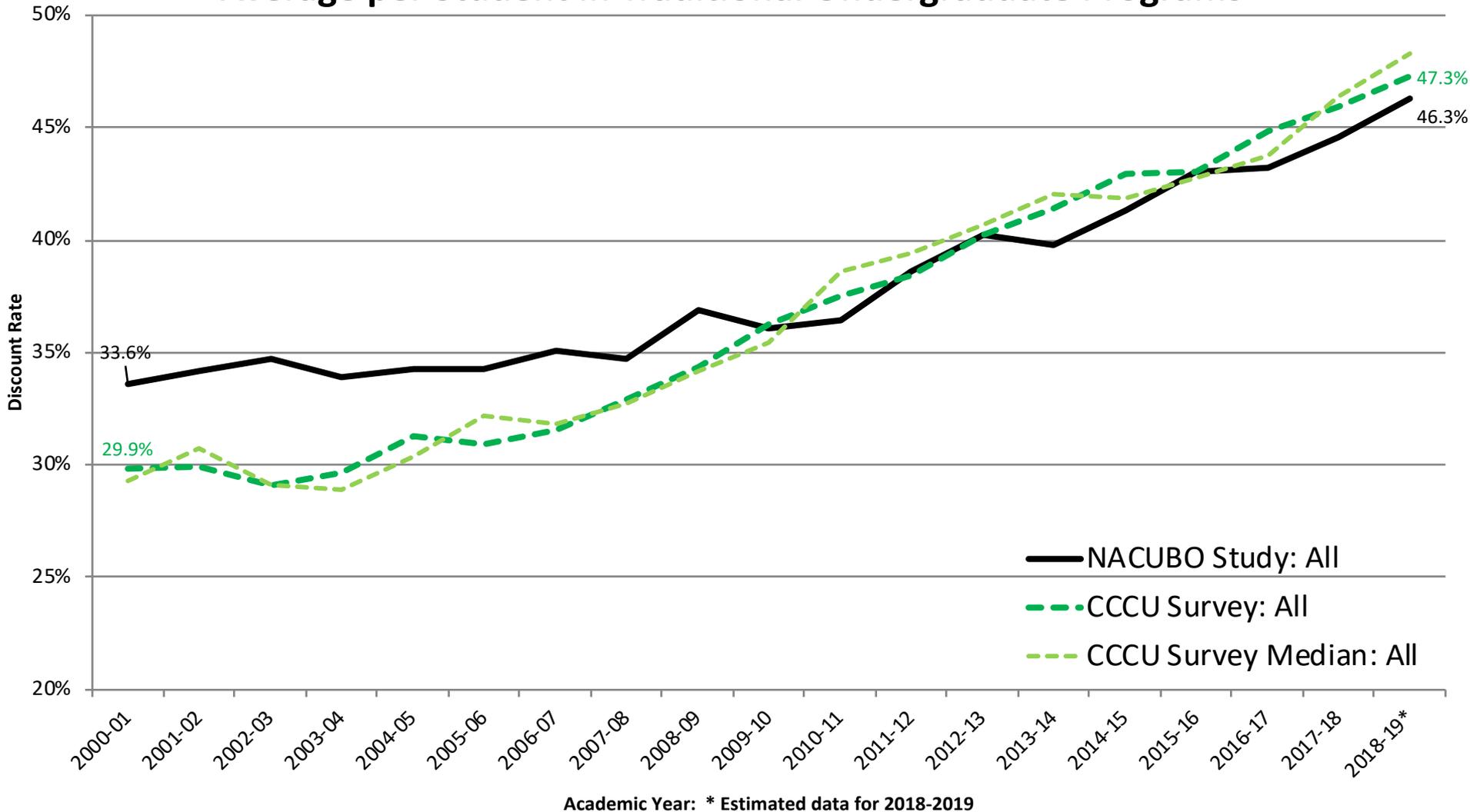
NACUBO Discount Rates in CCCU Schools

Traditional Undergraduate Programs
(2018-19 data is estimated)



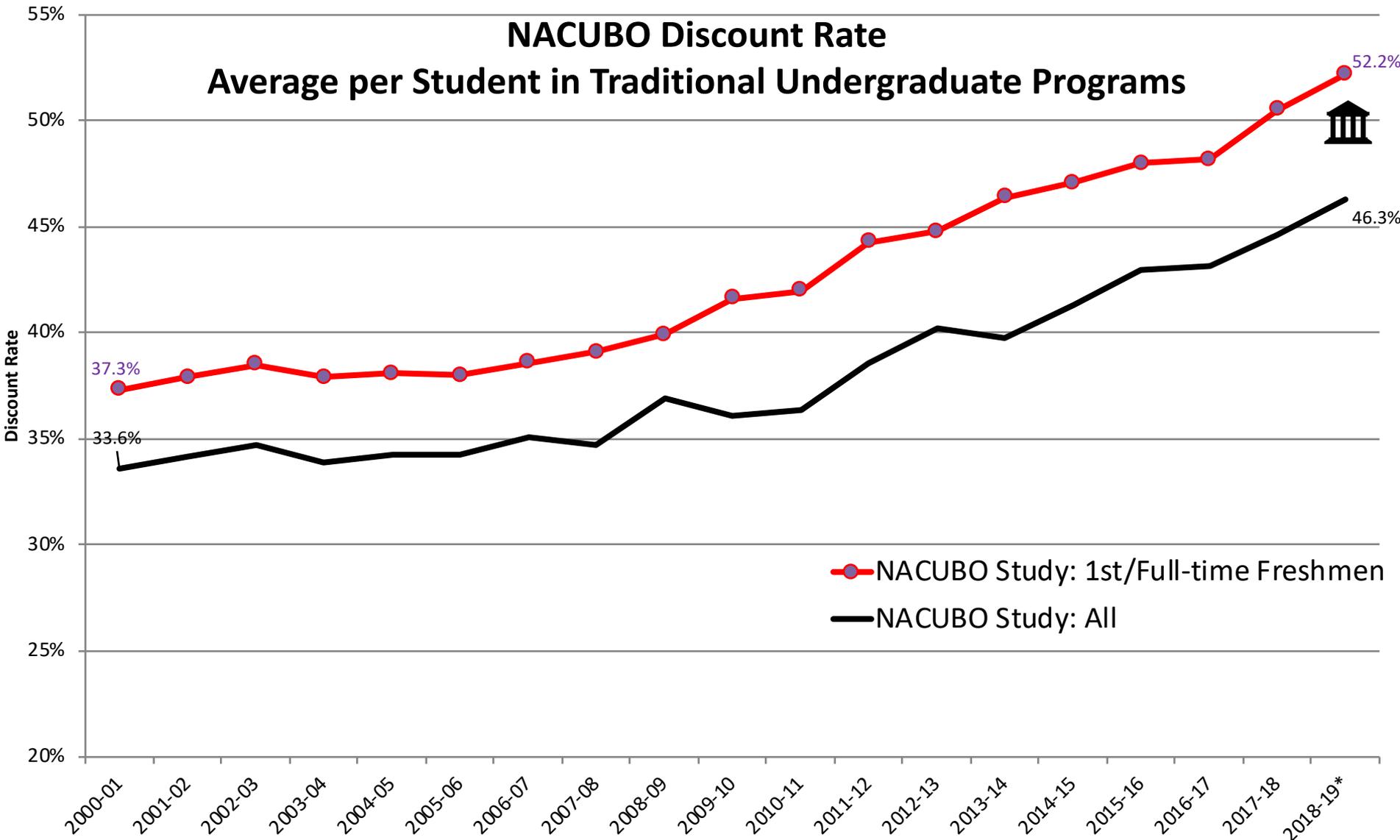
NACUBO Discount Rate: NACUBO & CCCU Surveys

Average per Student in Traditional Undergraduate Programs



NACUBO Discount Rate

Average per Student in Traditional Undergraduate Programs



Academic Year: * Estimated data for 2018-2019



“Target” Unfunded Discount Rate for 2018-19 New Students (see p. 131)

	New Student Target Rate	All Student Estimated Rate	Range of Differences
Minimum	20.0%	26.5%	-8.9 points
First Quartile	45.0%	40.8%	+0.4 points
Median	50.0%	45.6%	+3.7 points
Third Quartile	56.0%	49.4%	+9.0 points
Maximum	62.4%	60.5%	+21.5 points

- The “Range of Differences” column illustrates the range of the gap between the “new student target discount rate” at 55 responding schools and the “estimated 18-19 unfunded discount rate for all students” at the same schools.
- A negative “range of differences” means that the target new student rate at a school is less than their estimated overall discount rate, and vice versa.

2017-18 Needy/Not Needy

(see p. 145)

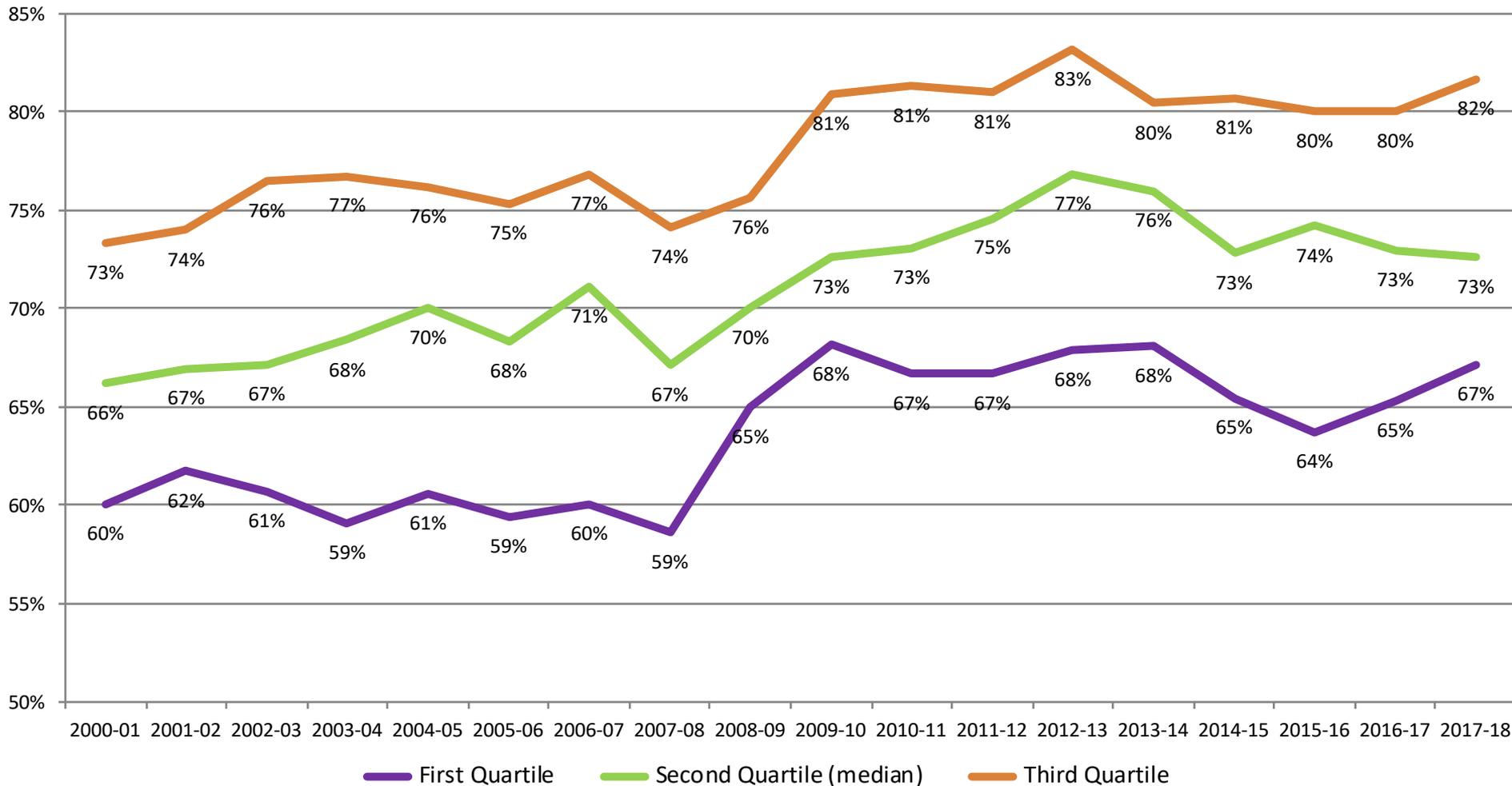
- 69.7%* percent of students at 57 responding schools were needy (range: 45.6% to 98.0%).
 - Total gift aid to needy students = \$1.25 billion
 - Average total gift aid per needy student = \$18,217 (\$16,909 last year)

* weighted average



Percent of Students who are Needy

In Traditional Undergraduate Programs



How Needy are our Students?

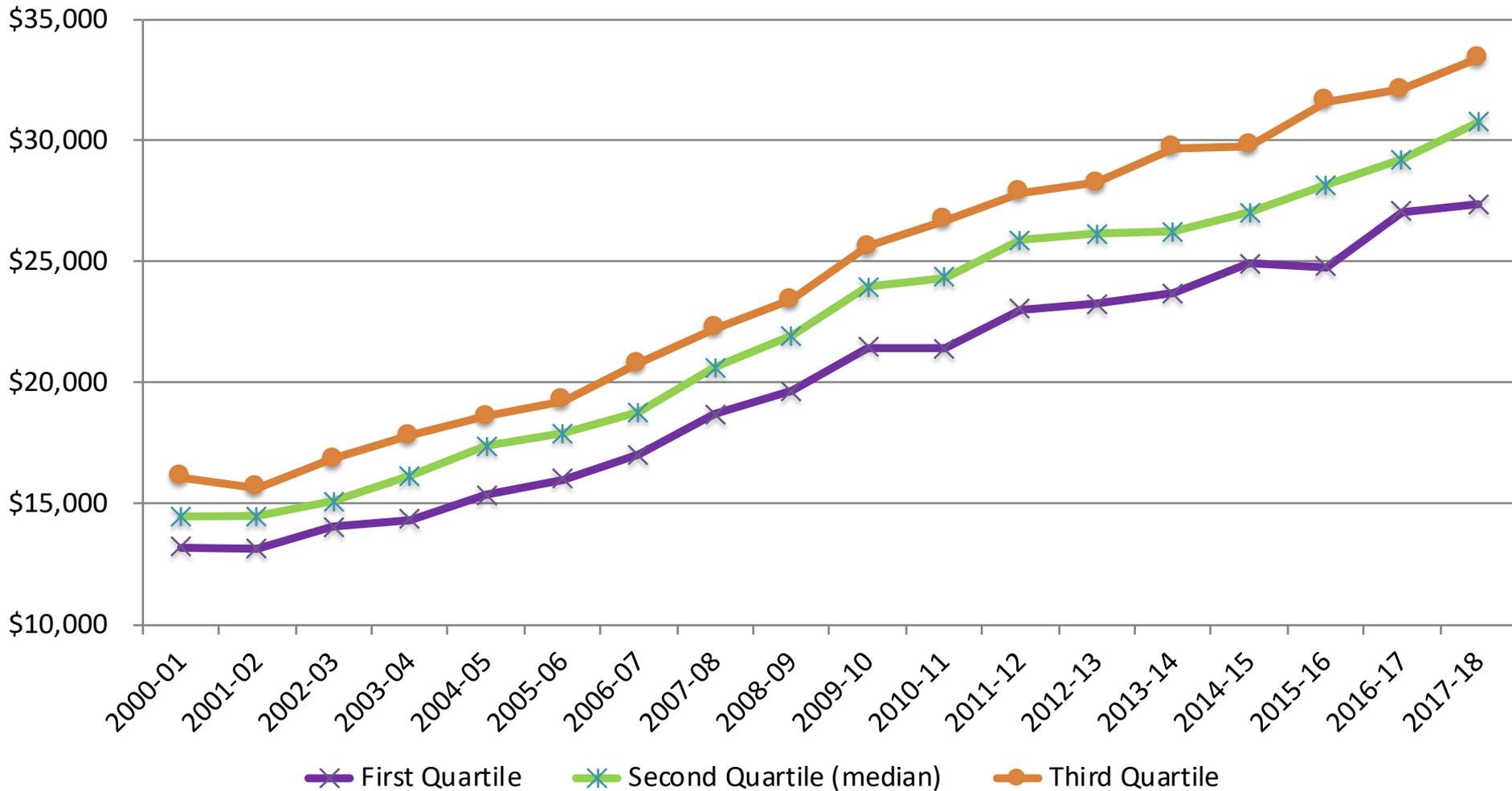
(see p. 149)

- The average needy student in 2017-18 at responding schools had demonstrated need of \$30,475 (range: \$15,619 to \$52,581)
- On average, responding schools meet 59.7% of need with gift aid
 - Minimum: 40.2%
 - 1st Quartile: 55.0%
 - 2nd Quartile (median): 59.5%
 - 3rd Quartile: 65.6%
 - Maximum: 82.8%



Average Need per Needy Student

In Traditional Undergraduate Programs



2017-18 Non-Need Students

(see p. 171ff.)

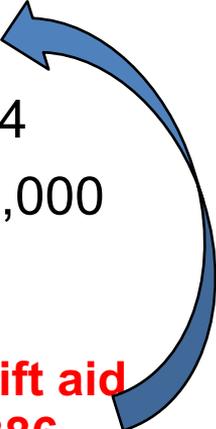
Percentage of non-need students receiving gift aid

- 19 of 56 (34%) schools gave non-need gift aid to over 97% of their non-need students
 - Minimum = 18.9%
 - 1st quartile = 80.9%
 - Median = 93.8%
 - 3rd quartile = 98.3%
 - Max = 100% (11 schools)

Average total gift aid per non-need aid recipient

- Minimum = \$3,521
- 1st quartile = \$11,141
- Median = \$13,419
- 3rd quartile = \$15,984
- 11 schools over \$17,000
- Max = \$29,455

Weighted average total gift aid per needy recipient \$18,386

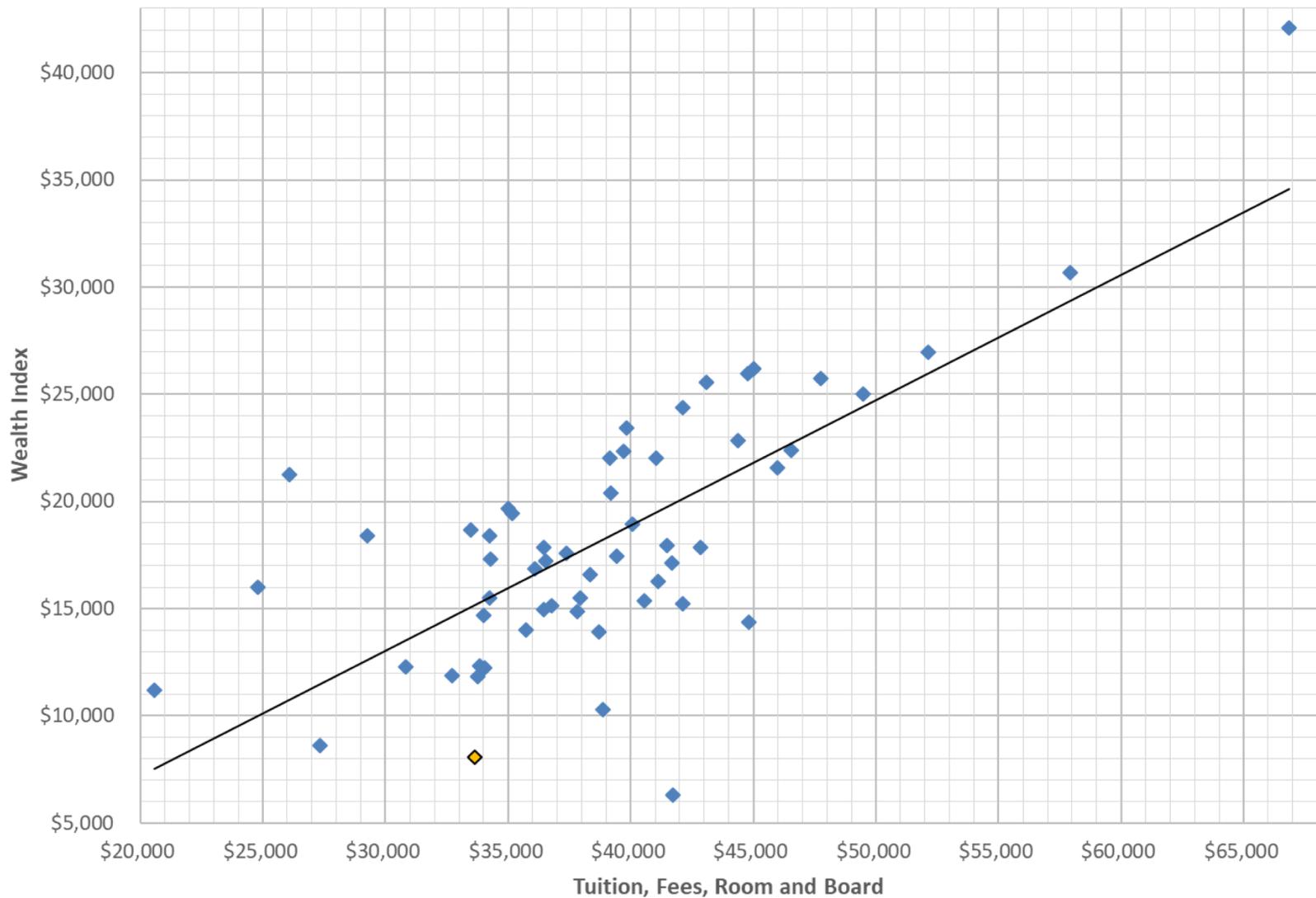


Price compared with Family Wealth

(see p. 158ff.)

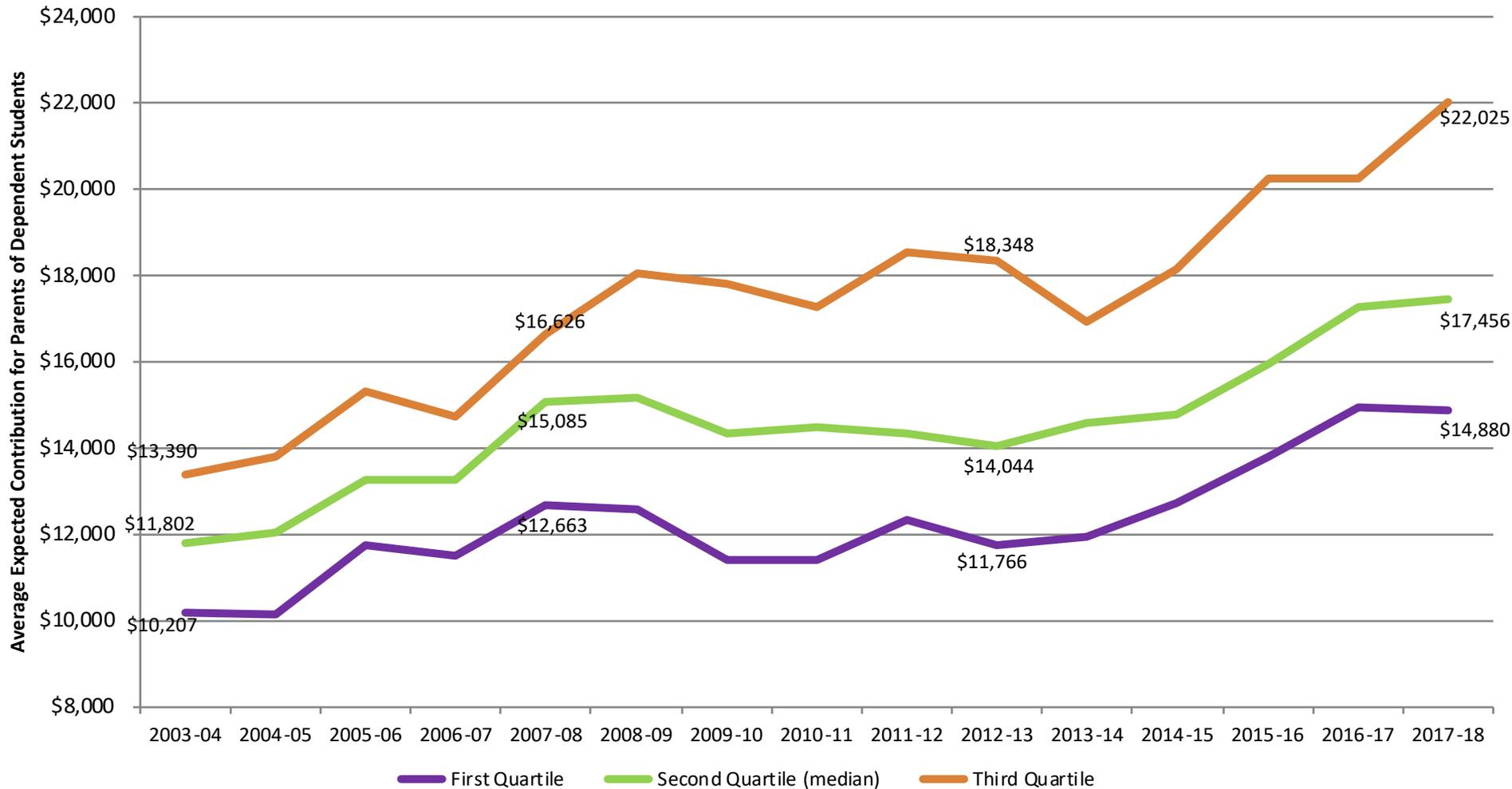
- The "wealth index" is an approximate measurement of expected parent contribution from non-independent student families (whether or not they show need).
- A positive variance means that, compared to other reporting schools, families are wealthier than the norm.

Price Compared with Family Wealth: 2017-18

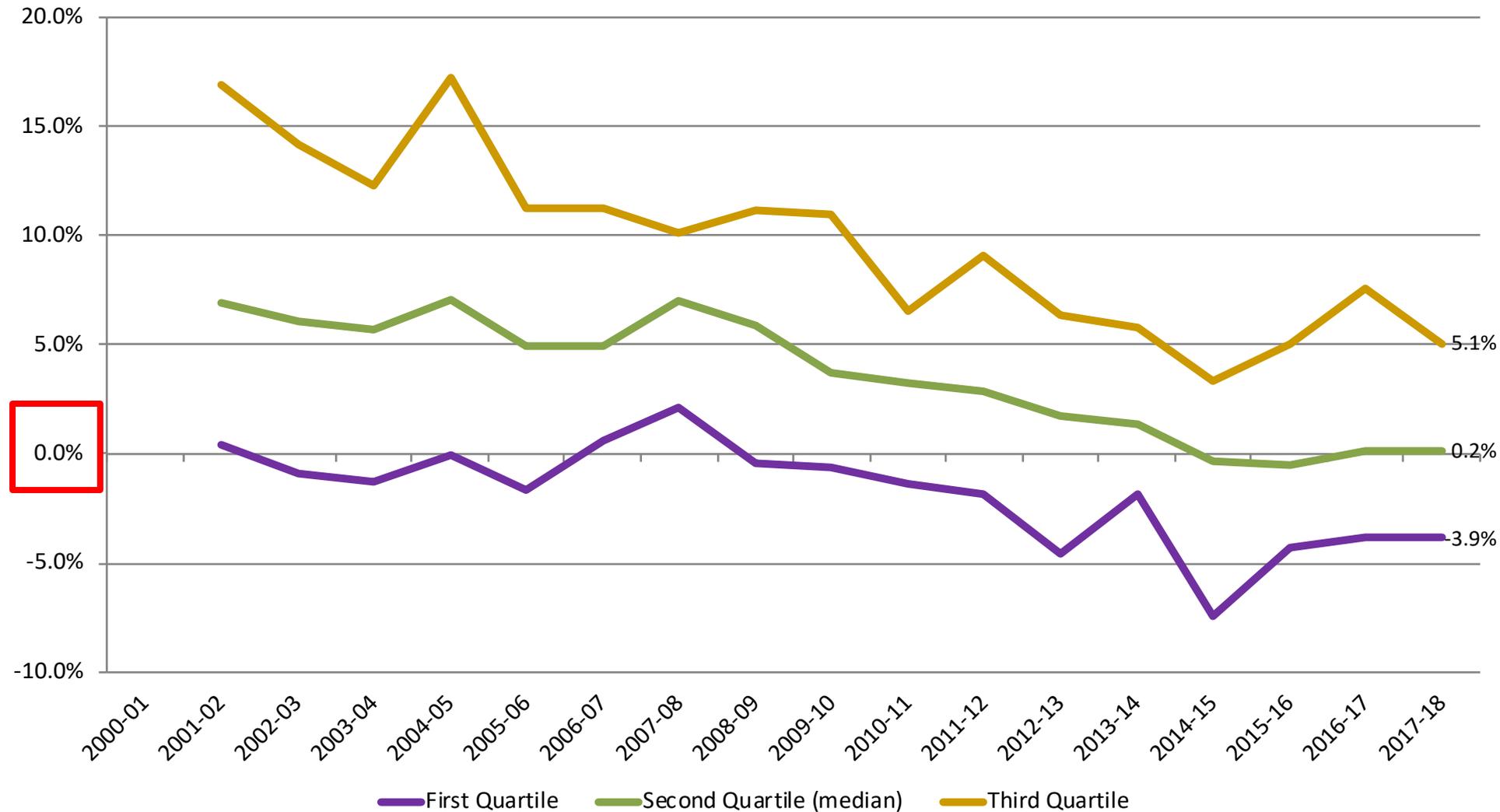


Family Ability to Pay (Wealth Index)

for Traditional Undergraduate Programs



YOY Change in Total Net Tuition Revenue



Affordability Indicators for Traditional Undergraduate Programs: Student's Perspective

- Cost of Attendance Budgets
- Financial Aid
- Student Debt
- Net Price / Family Ability to Pay



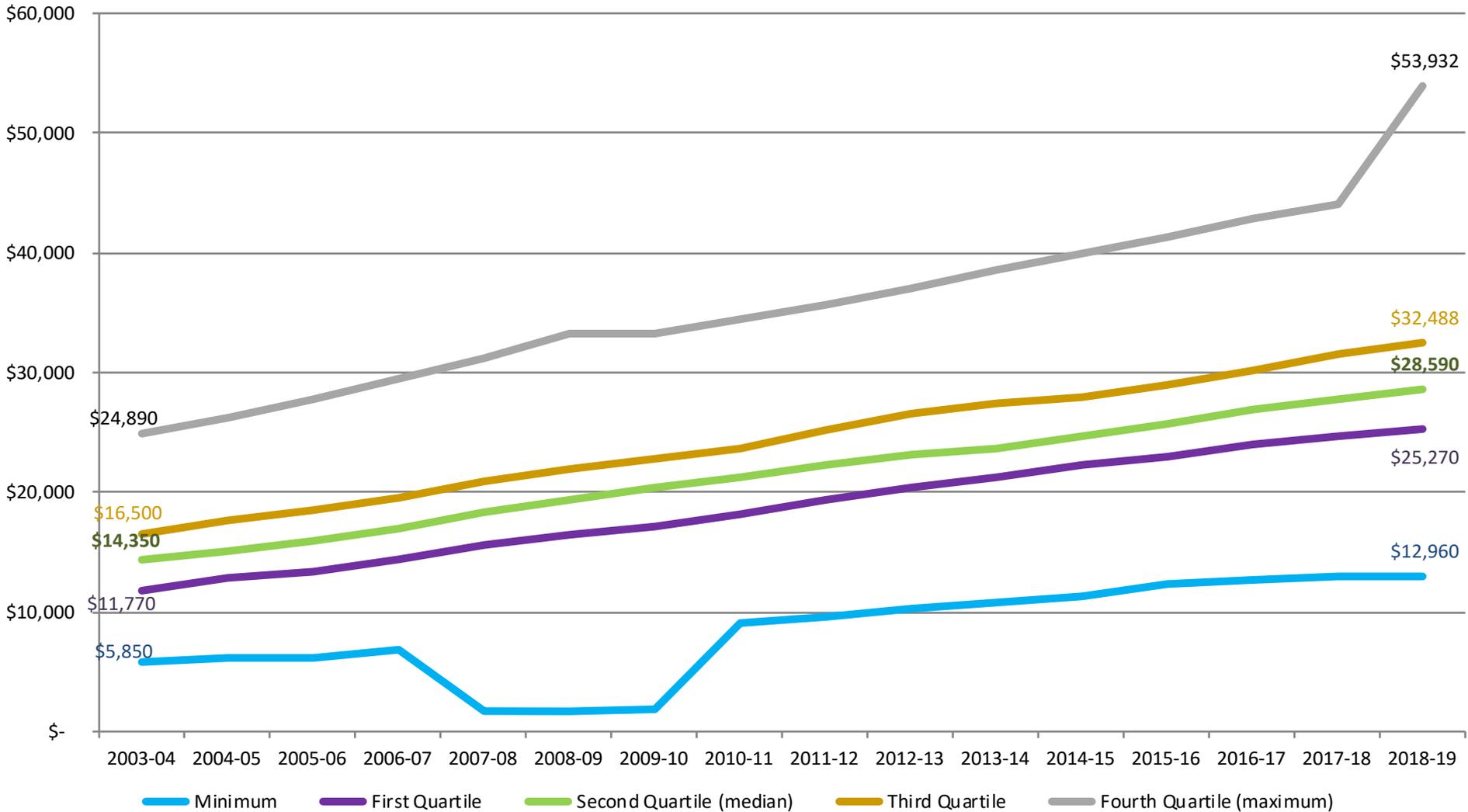
2018-19 On-campus Budgets (COA for students in Traditional Undergrad Programs)

(see p. 20ff.)

- Average on-campus student budget is \$43,864
 - Lincoln Christian \$26,581
 - Pepperdine \$73,002
- This is an increase of 5.6% from 2017-18 (compared with a 3.3% increase from 2016-17 to 2017-18).
 - Up 4.4% without Pepperdine.

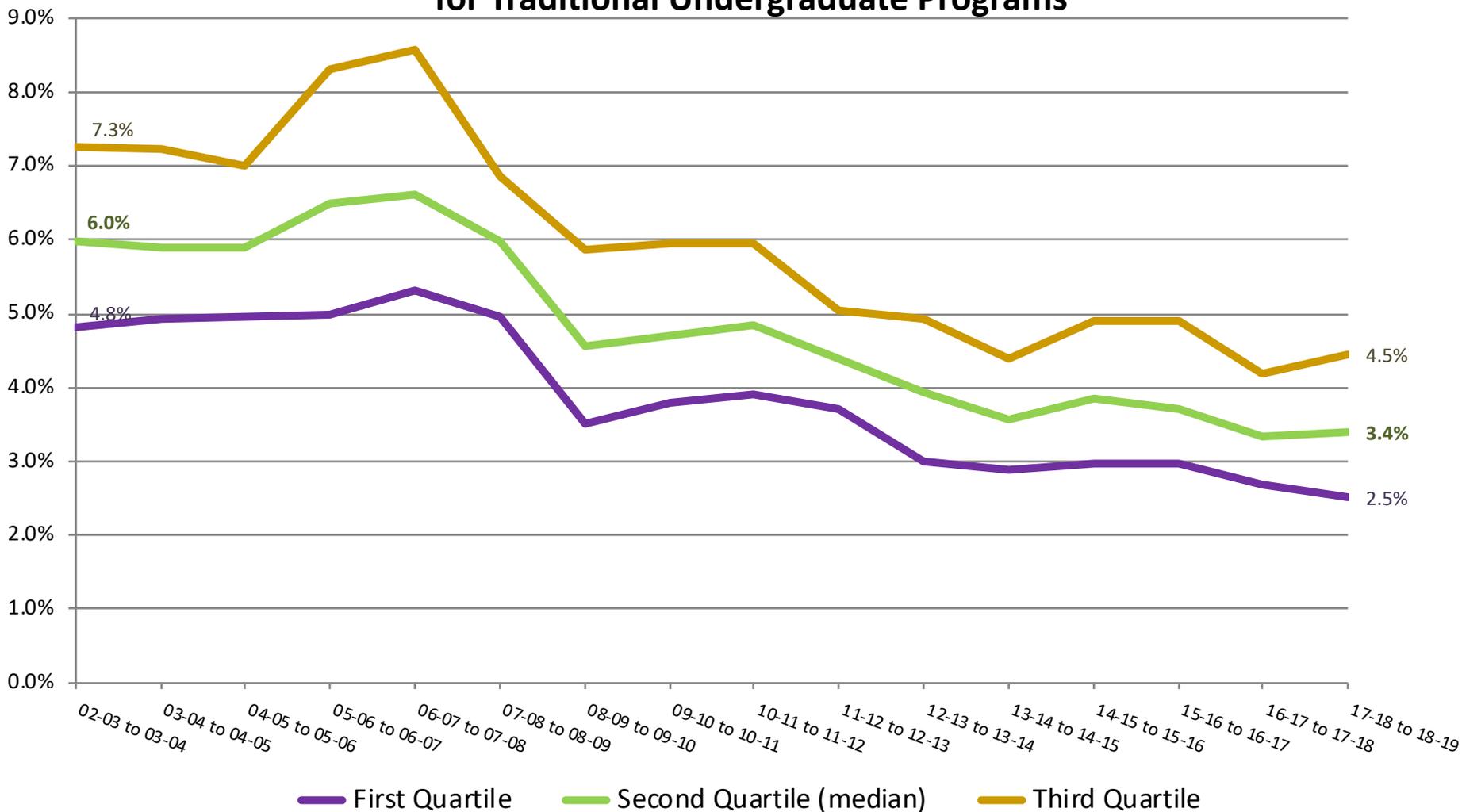


Tuition and Fees

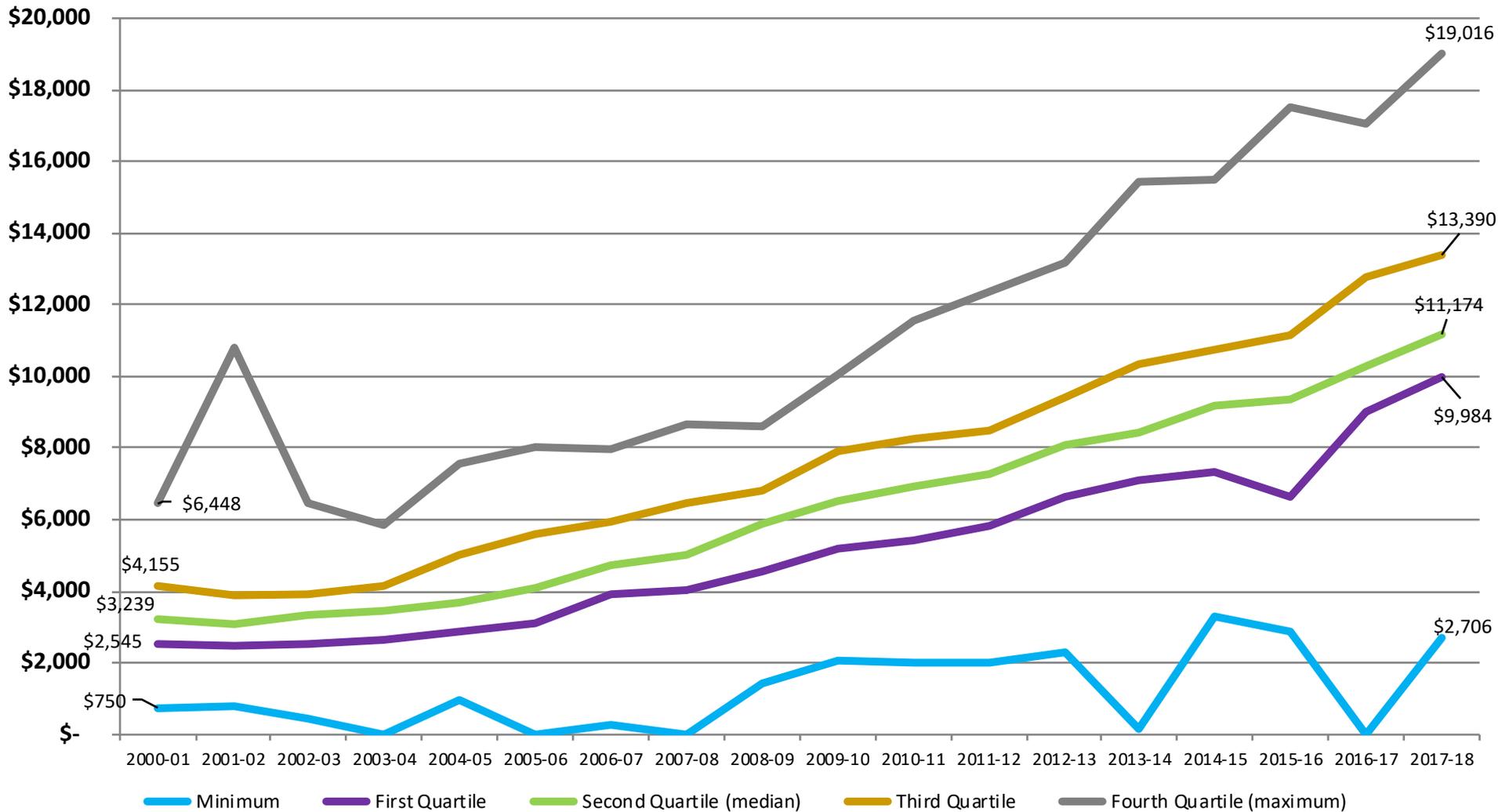


YOY Change in Tuition/Fees (Sticker Price)

for Traditional Undergraduate Programs

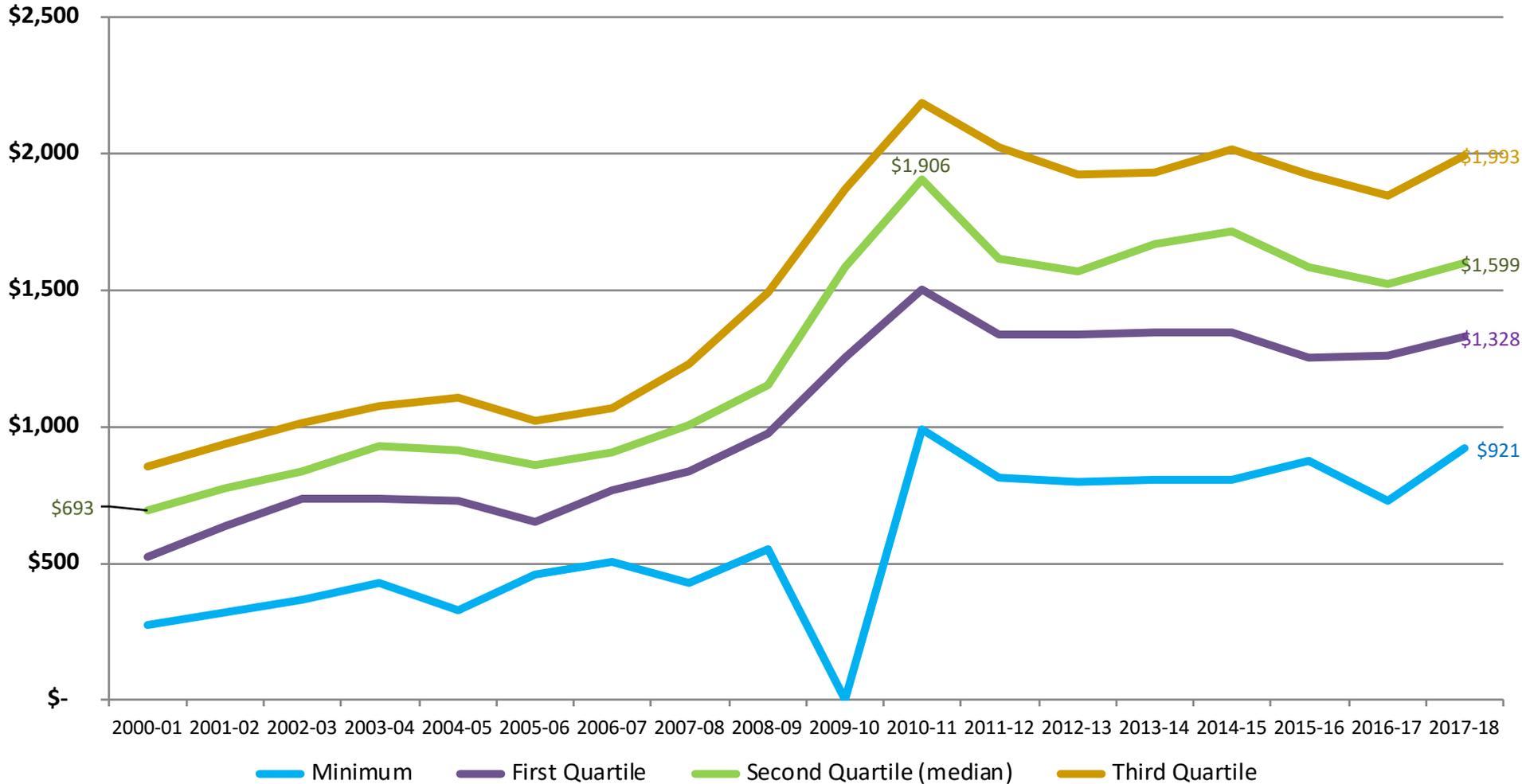


Average Unfunded Institutional Gift Aid (per enrolled student) in Traditional Undergraduate Programs



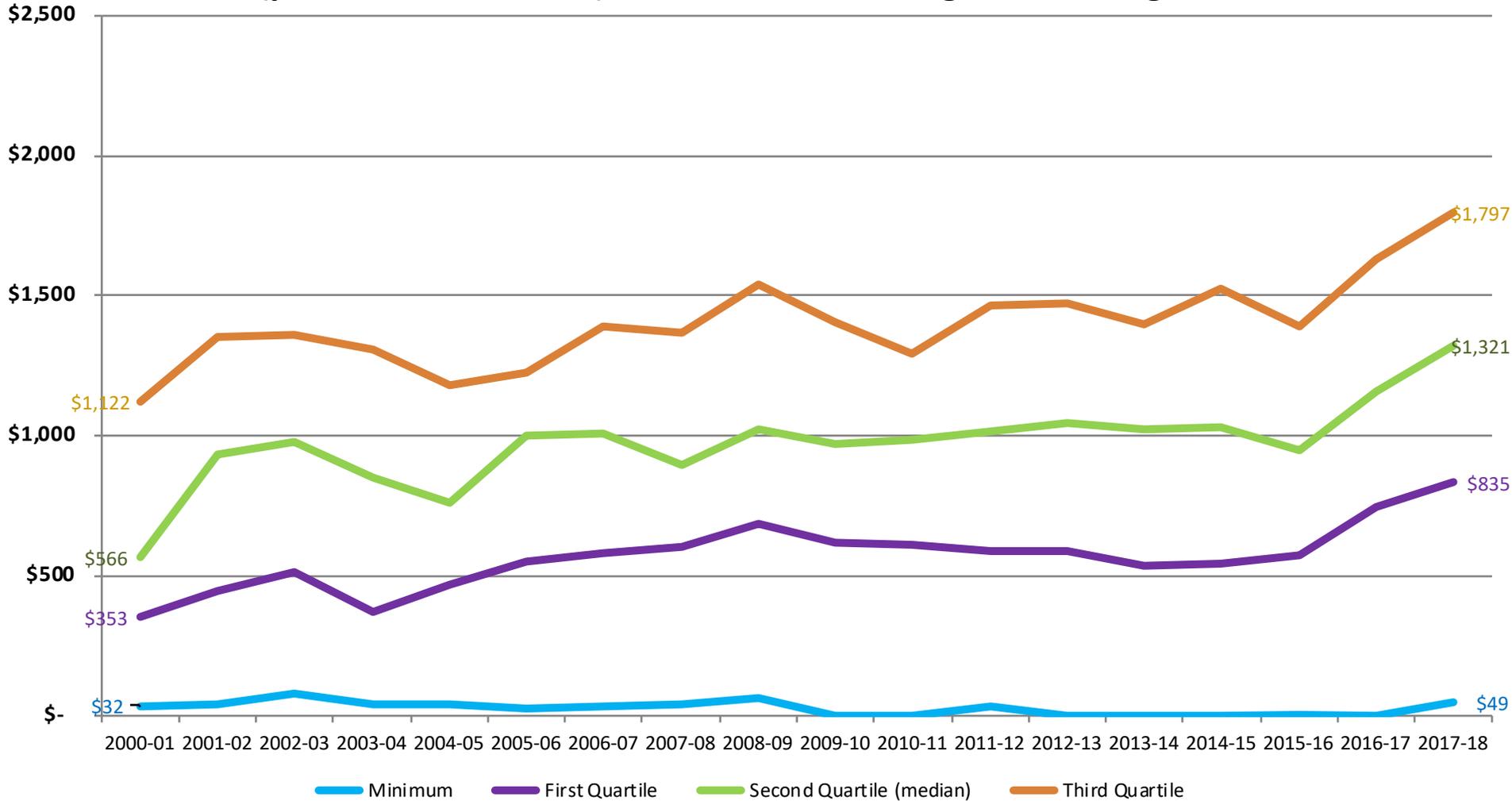
Average Federal Gift Aid

(per enrolled student) in Traditional Undergraduate Programs

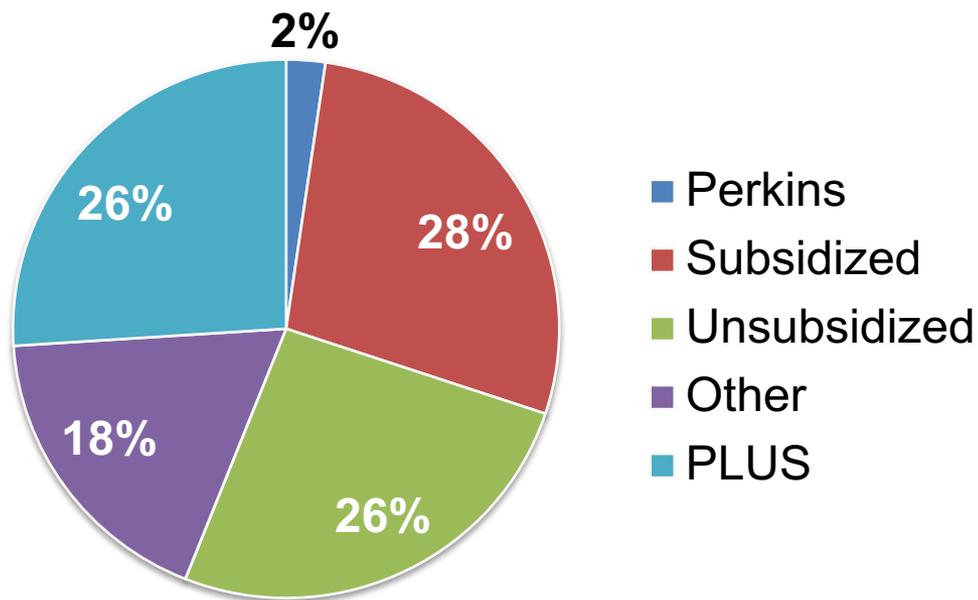


Average State Gift

(per enrolled student) in Traditional Undergraduate Programs



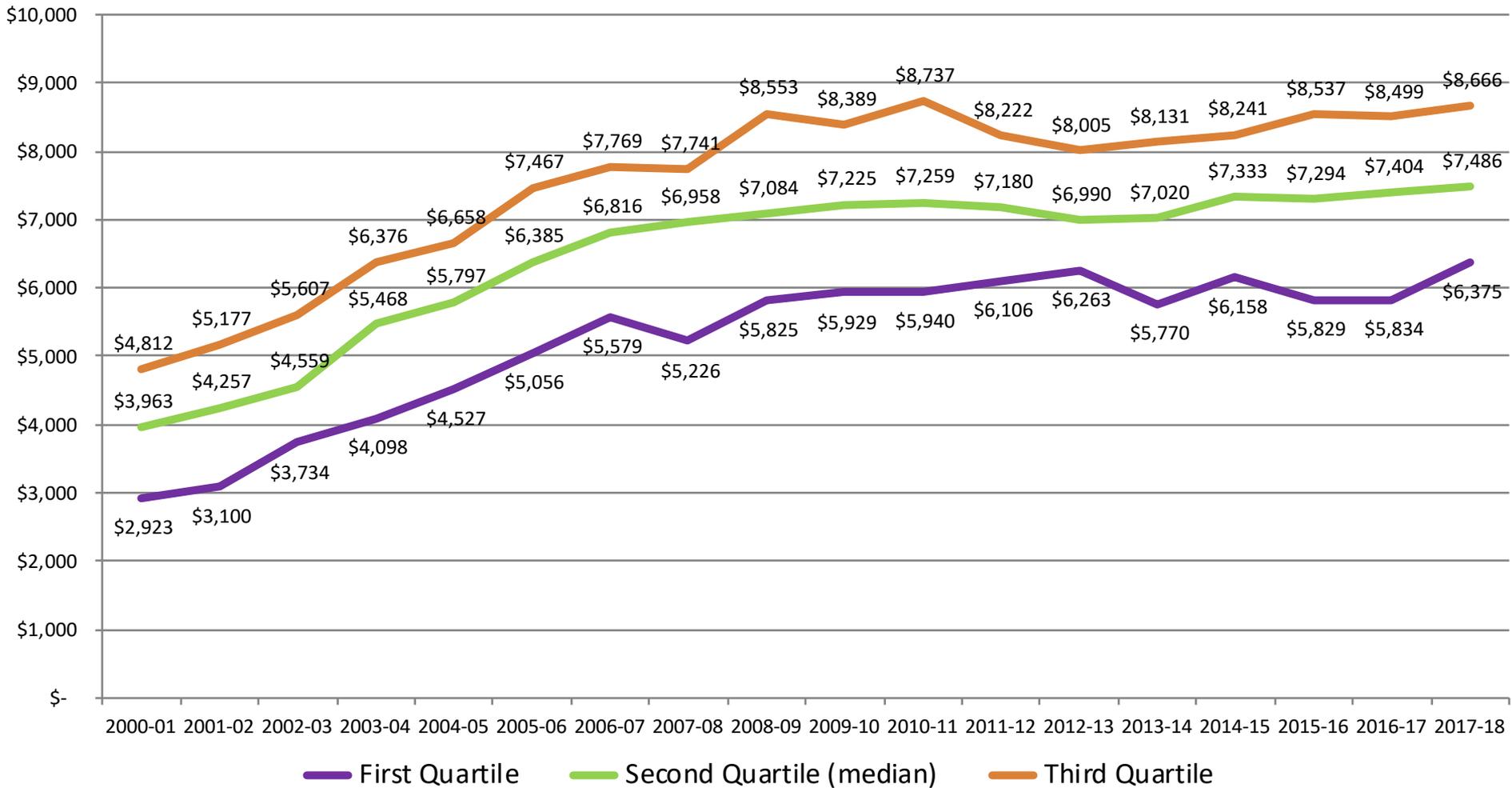
2017-18 Borrowing: Average per Enrolled Student (see p. 61-62)



- Perkins \$177
- Subsidized \$2,177
- Unsubsidized \$2,042
- Other \$1,261
- PLUS \$1,846
- Total \$7,503

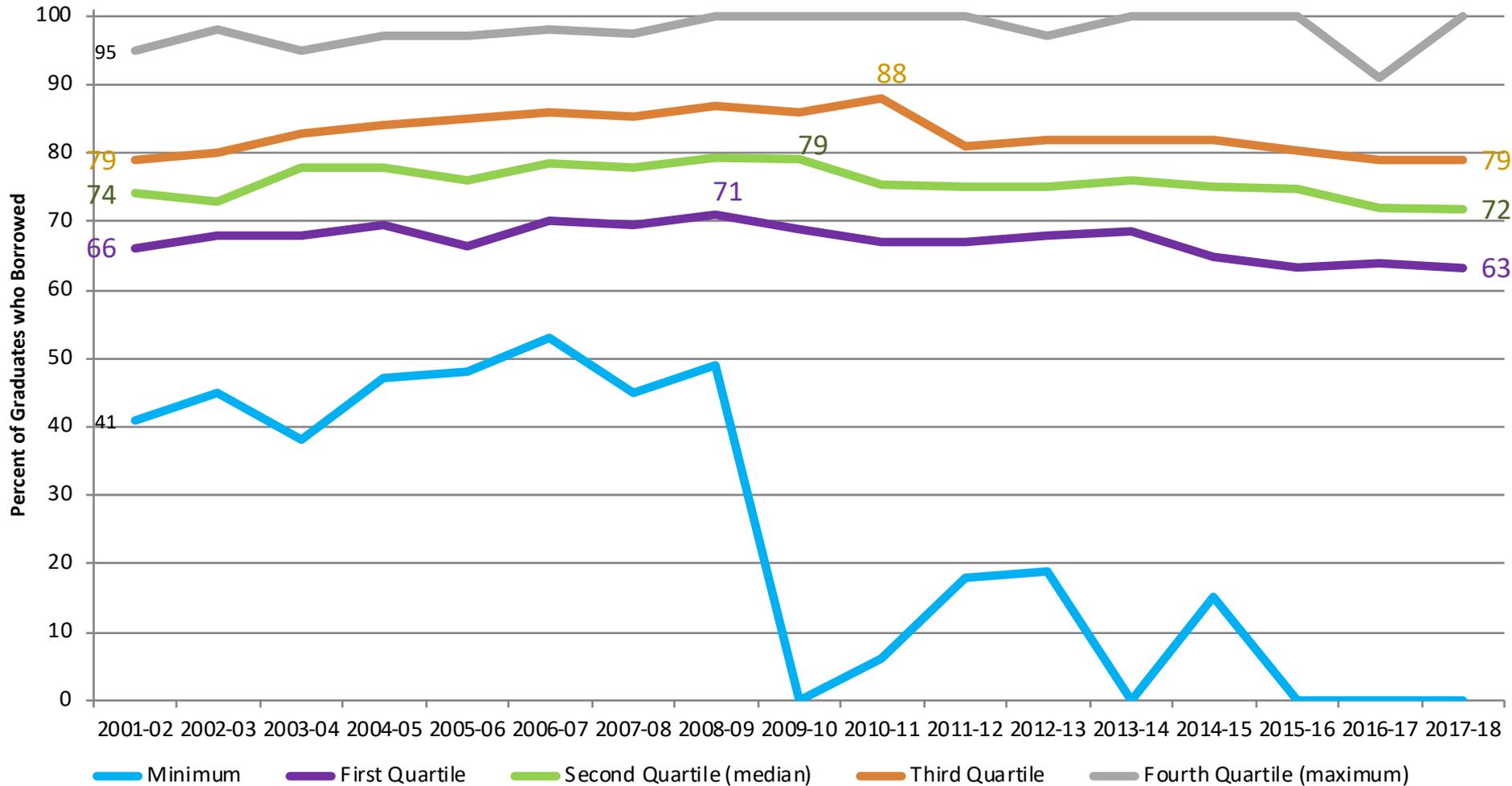
Average Loan

(per enrolled student) Traditional Undergraduates



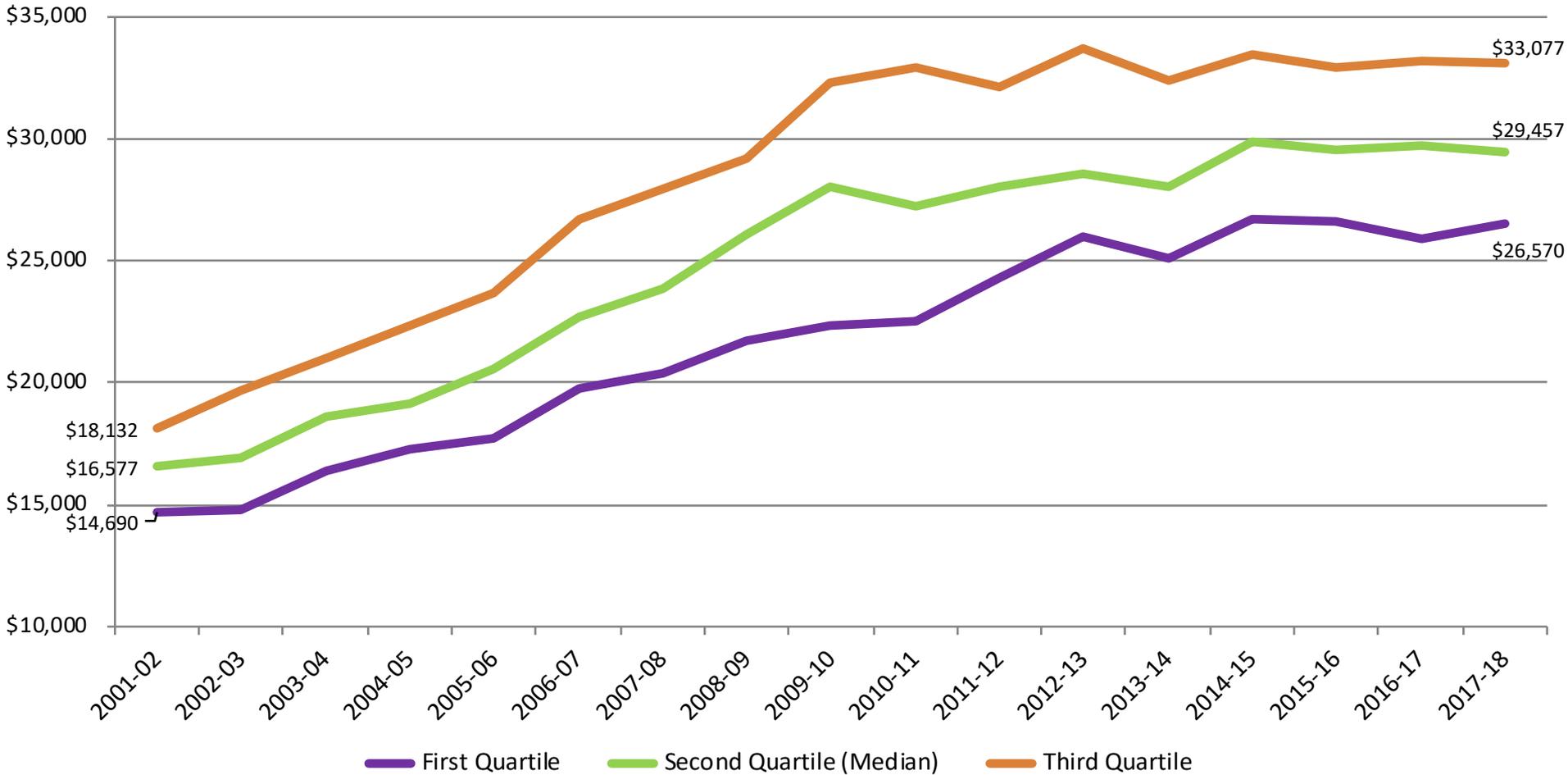
% Graduates Borrowing Educational Loans

in Traditional Undergraduate Programs



Average Educational Debt of Graduates

from Traditional Undergraduate Programs
(excludes minimum and maximum)



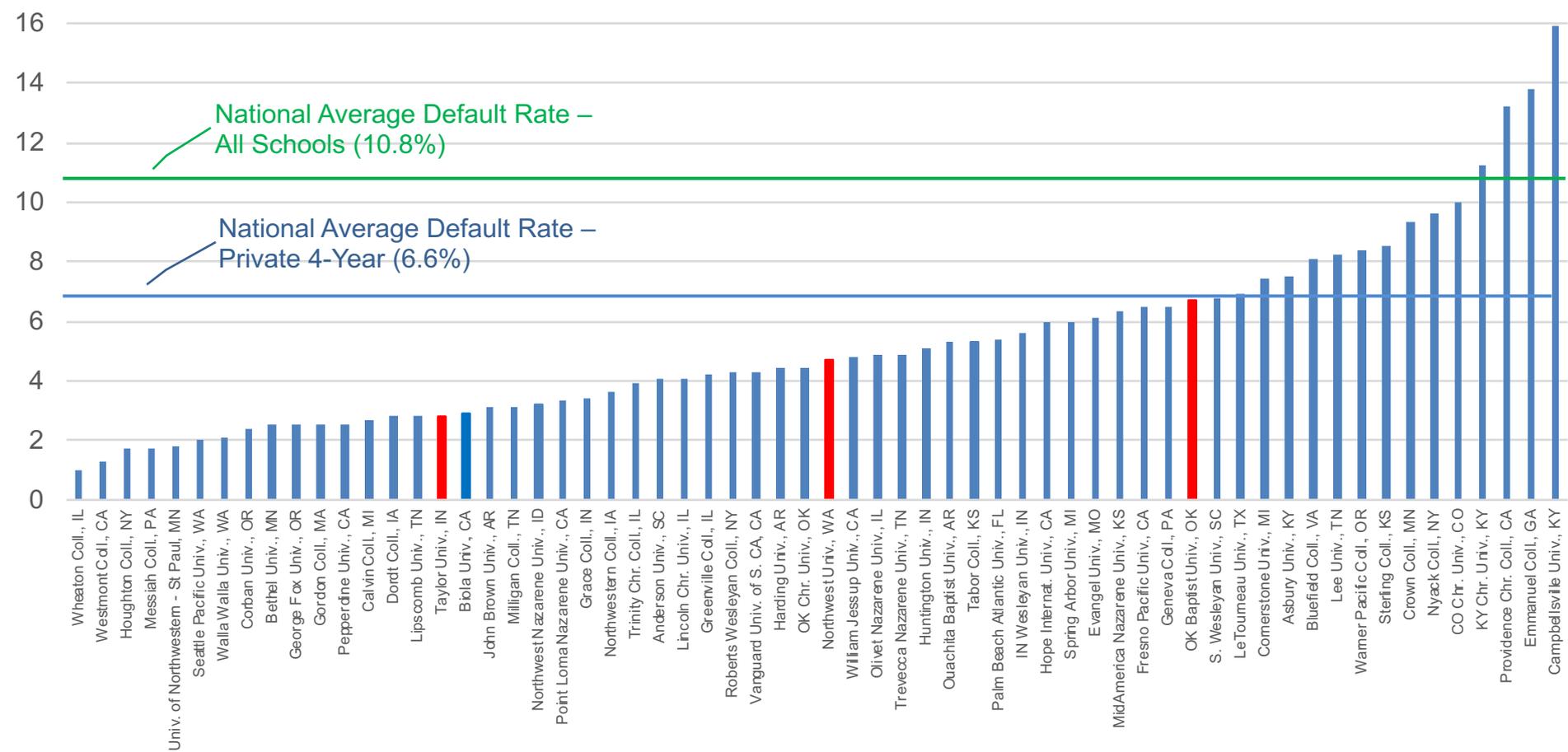
Average Student Loan Debt

(see p. 93ff.)

- On average 72% of FY18 graduates at 60 responding schools borrowed student loans (range: 44% to 100%).
- Their average debt was \$29,570 (range: \$14,194 to \$39,930).
 - 30 of 60 (50%) of responding schools had average debts ranging from \$26,660 to \$33,088
- The average debt, at schools where students borrowed, equaled 102% of 2017-2018 tuition and fees at each student's school (range: 40% to 212%).

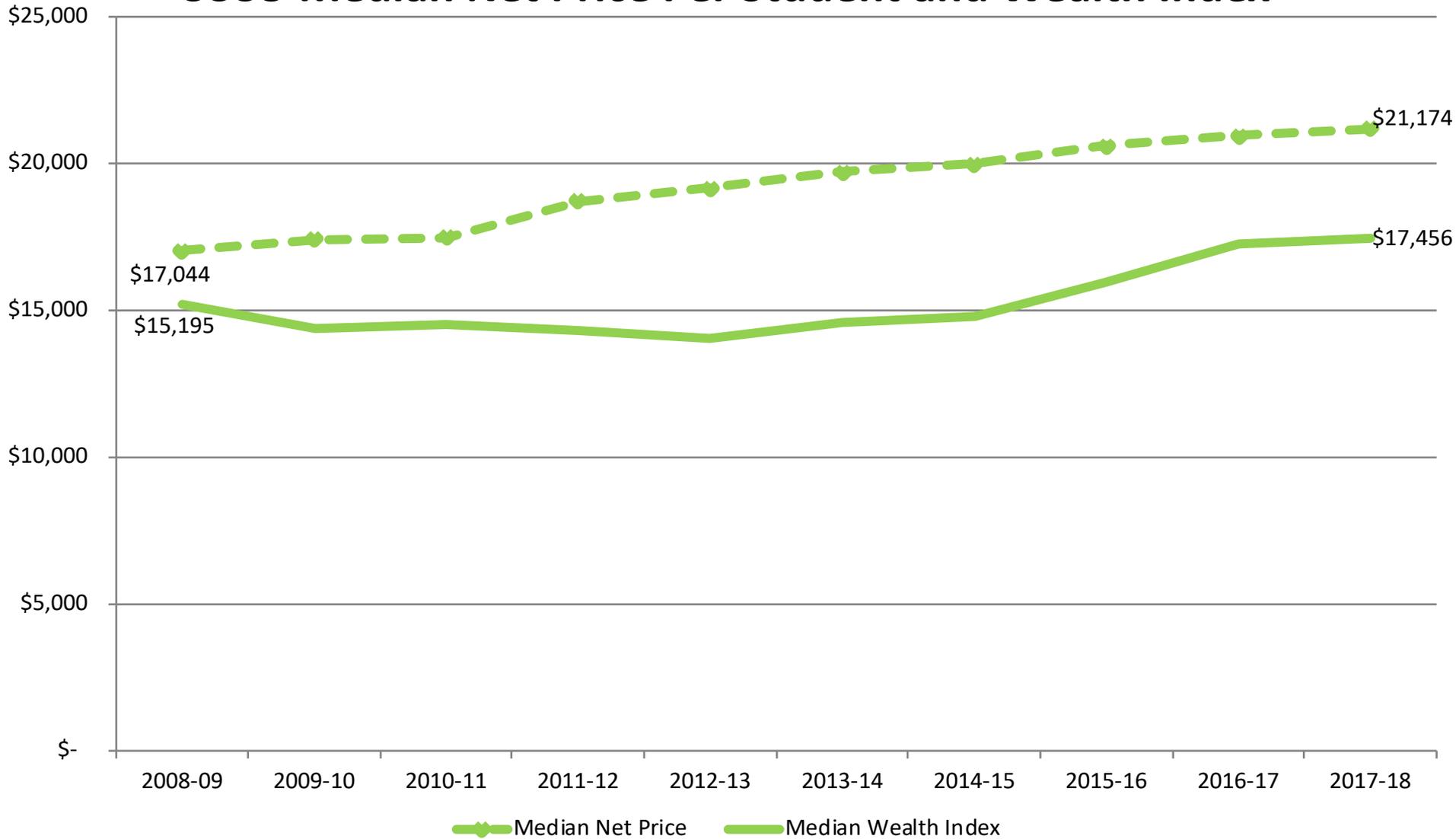
3-Year Cohort Default Rates

Most recent three-year default rate on government loans (FY2015 official).

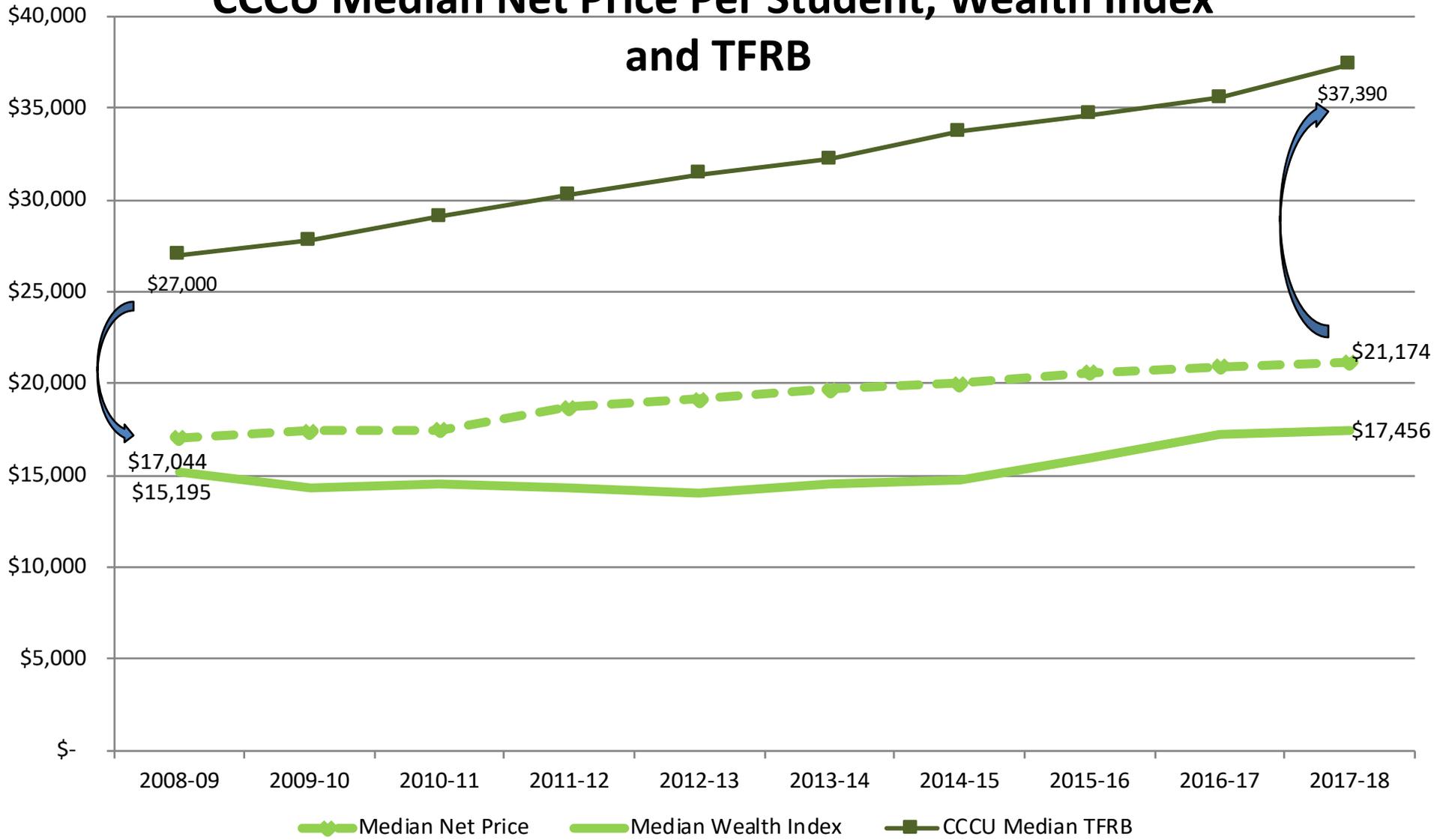


SOURCE: U.S. Department of Education Default Management, Official Cohort Default Rates for Schools, retrieved 12.20.2018 <https://www2.ed.gov/offices/OSFAP/defaultmanagement/cdr.html>

CCCU Median Net Price Per Student and Wealth Index



CCCU Median Net Price Per Student, Wealth Index and TFRB



Implications for our Schools (discussion)



Questions?

- Contact Dan Nelson or Jeff Olson if you have specific questions
 - dc-nelson@bethel.edu
 - jeff-olson@bethel.edu
- Email the CCCU financial aid administrators e-list to foster a broader conversation

