

# President's Memorandum to Faculty and Staff

Office of the President  
February 20, 2012

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## Student Debt Forums

Many of you joined me last Wednesday and Thursday for public forums entitled “Building an Affordable Future for Our Students: Addressing Student Debt and Time to Degree While Providing Academic Excellence.” This is a critical issue for Ferris State University and for our students, and one that will require all of our efforts. If you were unable to attend one of these sessions, my forum slides are accessible at <http://www.ferris.edu/HTMLS/administration/president/presentations/2011-2012/> .

The growth of student debt load for our students is alarming. Last year the average debt-load for associate degree recipients was \$21,057, for those earning bachelor degrees \$26,371, and for first professional degree recipients it was \$65,087. The debt of our bachelor degree graduates has increased by more than 66 percent over the past four years. If this trend continues, in 2020 the average debt of someone earning a bachelor degree at our University will be more than \$85,000. This is something we must address and change.

In examining student debt we are reviewing carefully the characteristics of our graduation cohort. For bachelor degree graduates 5 percent had more than \$90,000 in debt, 30 percent had more than \$60,000 in debt and 60 percent had more than \$40,000 in debt. These figures reflect only education loans and do not include credit card or other personal debt. About 20 percent of our students graduate without debt. For those with student debt, the average federal loan is now \$25,838. An additional 46 percent have private student loans that average \$22,241. For students who began their bachelor’s education at Ferris and who have student loans, the average debt is \$35,468.

The major factors affecting student debt are costs, family income, gift and grant aid, time to completion and wise financial choices. In the public consciousness, the major focus of the cost of an education has been on tuition. Student costs at Ferris this year are estimated at \$21,534. Tuition is indeed the largest segment of educational cost, estimated at \$9,934, which is less than half of total costs. Room and board is \$8,744 with books and travel at \$1,016 each, and personal or miscellaneous expenses at \$824. As a university we must the work to control the cost of tuition, campus housing and books.

It is a reality that many of our students come from modest backgrounds. For the first time in our history more than 50 percent of Ferris students this year qualify for Pell Grants. We now enroll more than 800 students in the Tuition Incentive Program for families on Medicaid.

Student debt has increased even as general fund student assistance at Ferris has increased. This scholarship support has gone from \$8 million in FY07 to \$19 million in FY11. This will continue to be a priority for our university, but even more than doubling the non-loan support we provide students has not slowed this increase in student debt.

Studying the bachelor degree graduate data cohort provides insight into student behavior. 50 percent of last year’s graduates did not change their major, 34 percent changed their major twice and 16 percent changed their major 3-6 times. 24 percent graduated in four years or less, 37 percent in five years and 39 percent graduated in 6-8 years. Students who began their studies at Ferris graduated with an average of 139.3 credits. Those who transferred in averaged 144.7. Last

year tuition receipts at Ferris were \$133 million with financial aid checks to students totaling \$109 million. This confirms what we already knew, that Ferris students depend upon their financial aid to live. As such, time to degree is a very important factor and we will need to find new ways for students to complete their degrees earlier.

Student debt cannot be addressed without doing a better job of educating students and their parents about the long-term impact of the debt load they are accumulating. We need to help students develop a better understanding about financial literacy, responsible financial decisions and debt.

At each forum I paused and asked those assembled in small groups to consider and develop ideas for addressing student debt through the following questions -

- How can we help more students graduate?
- How can we help students graduate more quickly?
- How can we reduce costs for our students?
- Are there other approaches we should consider to address this growing challenge for our students?

We collected the suggestions and will publish them on a website we are developing. I would ask that you take some time to consider these questions and send your thoughts to me. Better yet, talk with 4-5 of your colleagues, co-workers and students to consider these questions and send me your ideas. It will take our best thinking to address this growing crisis. Some of the strategies include the following -

- Examine debt burden of students and develop measures that prevent students from accruing large amounts of debt
- Educate new students and their parents on the effects of excessive loan debt and options for reducing higher education costs
- Reduce time to degree with attention to how students move through a program
- Review and rebalance institutional financial aid in the context of student debt
- Maintain academic quality and manage instructional costs
- Manage administrative and non-instructional costs
- Restrain overall compensation increases
- Restrain tuition increases
- Restrain room and board increases
- Review program and textbook costs
- Reduce budget
- Raise more scholarship funds

Some perceptions and realities are already clear -

- While student debt results from a variety of factors, especially living costs, increases in tuition will be the main point of focus
- We must make this a university priority, engaging our people in a concerted effort to help our students with the goal of helping our students to be in a better place educationally and financially
- We will need to engage all our communities - alumni, friends and donors in raising scholarships and financial support in an unprecedented way
- We will need to maintain enrollment to sustain revenue or we will face budget challenges on top of this

I am asking our vice presidents, deans, directors and you to engage on this topic and share our best thinking on this. Many of you have already begun to do so, also forwarding articles that describe what others have done, studies which examine this problem and other materials that can be helpful. From this we will refine strategies, responsibilities and processes. **Most importantly, we must make this our shared responsibility across the university.** Each of us is motivated by the opportunity to educate, help and change the lives of our students. We each know well individual students who are deeply affected by this issue. Our students deserve better and we must do our best to help. I know that working together we can and will make a difference for our students. Thank you for taking time to contribute and help.

### **Athletic Success**

Congratulations to coach Tracy Dorow and the women's basketball team who clinched a share of the GLIAC North regular season championship on Saturday. We are very proud of you and your success. Our men's team is tied for the GLIAC North regular season championship. Both teams are in action Wednesday evening against Hillsdale. Come and cheer on these championship teams.

**For the second week in a row our men's ice hockey team is the #1 team in the nation!** This is the first time in Ferris State University history that our squad has been ranked as the best team in the country. Congratulations to coach Bob Daniels and this outstanding team on their extraordinary accomplishment. With two victories over Bowling Green this past weekend they now have a string of 14 consecutive games without a loss. The team leads the CCHA by six points and has clinched at least a share of the regular season championship.

The team is attracting significant regional and national attention. Among recent honors, last week Tyler Nelson and Kyle Bonis were named CCHA players of the week and Ferris was the College Hockey News Team of the week for the second time this season -

[http://www.collegehockeynews.com/news/2012/02/15\\_team\\_of\\_the\\_week\\_ferris\\_state.php](http://www.collegehockeynews.com/news/2012/02/15_team_of_the_week_ferris_state.php)

Special congratulations go to Associate Coach Drew Famulak who has been named the 2012 American Hockey Coaches Association Terry Flanagan Award Winner. This prestigious award recognizes an assistant coach's career body of work. This is Drew's 19<sup>th</sup> year as a hockey coach at Ferris and this national recognition is well deserved.

This is the final weekend of the regular season with games against Western Michigan University in Kalamazoo Friday and home on Saturday. Last Saturday's game was sold out and this week's game will be, also. Our team has clinched a bye for the first weekend of the CCHA tournament, and will host a second round series the weekend of March 9<sup>th</sup> and 10<sup>th</sup>, at the end of our spring break. Please make a special effort to help us pack the house for this important series.

### **Festival of the Arts**

The Festival of the Arts is entering its final days. Events this week include

- Monday - Box City Architecture Workshop for Children, City Hall, hosted by FSU students and professionals
- Wednesday through Saturday - Stage M presents "Forever Plaid," dinner theater at the Gate
- Wednesday - Benjamin Busch presents his latest film "Bright," IRC 120

- Wednesday - Digital Photography Competition Open House and Award Presentation, Yeoman Photography
- Friday - Crossroads Charter Academy 3<sup>rd</sup> Grade Musical “This Old Gingerbread House,” CCA Auditorium
- Friday and Saturday - Big Rapids Middle School Musical “Disney’s Mulan Jr.,” BRHS Auditorium
- Saturday - “One Amber Bead: Family Matters” Presentation and Book Signing with Author and Professor Betty Stolarek, Great Lakes Book and Supply
- Saturday - Foreign Film Festival: “White Material,” IRC 120
- Sunday - Orpheum Bell in Concert, Williams Auditorium
- Sunday - Closing Reception featuring “The Circle Unbroken,” BRHS Auditorium

The Festival of Arts features special guests, faculty, staff, friends and neighbors. No community our size is so fortunate as to enjoy such a vibrant arts series. More information is available from the link at <http://ferris.edu/festival/>. You may also use this link to vote for your favorite haiku in a competition sponsored by Professor John Cullen. Come enjoy the Festival of the Arts before this year’s events are over.

Sincerely,

David L. Eisler, president