



Higher Education Market Trends



NEASFAA
Nebraska Association of Student Financial Aid Administrators

NeASFAA Conference
March 25, 2021

Agenda

This presentation is an overview of trends in the industry and the value of a college education with the following areas covered:

- Enrollment Trends
- Cost of Attendance and Student Loan Borrowing
- The Value of Education
- Repayment Success



- **Highlights**

Highlights

□ Enrollment Trends

- High school graduates attending college has increased slightly from 66.7% to 69.1% for AY 18/19. The number of high school graduates has also increased from 2.9M to 3.2M.
- College enrollment was slightly down YoY in AY 18/19, however NCES early reads are that college enrollment is up YoY in AY 19/20.
- Foreign student enrollment was flat in AY 18/19, 19/20 data not available yet, uncertainty is raising for coming year.

□ Cost of Attendance and Student Loan Borrowing

- Tuition and fees continue to rise at ~1% YoY across school types (inflation adjusted).
- While tuition and fees have risen ~1% YoY, the net price including room and board at 4-year programs is flat YoY.
- Total education loans decreased slightly in AY 19/20 to \$102B from \$106B. Federal subsidized and unsubsidized loans accounted for most of the decrease.

□ The Value of an Education

- The number of college degrees awarded is up 1.5% YoY through AY 17/18.
- There continue to be small shifts in bachelor's degree programs as the % of degrees for Education, Humanities, and Social and Behavioral Sciences continues to decrease, while Computer Sciences, Engineering, and Mathematics increase.
- Higher education continues to show its value when evaluating unemployment rates and income by degree earned.

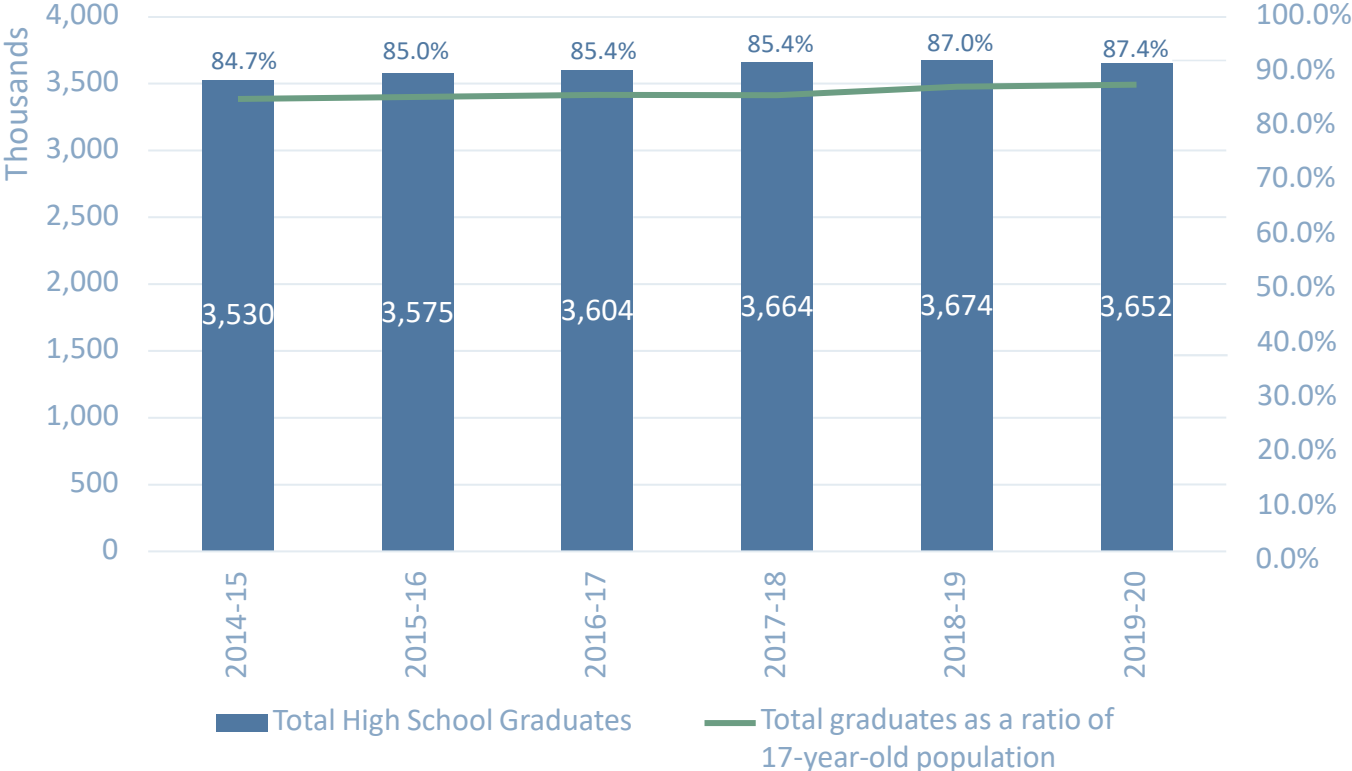
□ Repayment Success

- Federal and private loan default rates continue to decline YoY with private loan delinquency and charge off rates being considerably lower than federal loans.
- The number of federal borrowers using income-based repayment plans appears to have leveled off at ~30%



- **Enrollment trends**

High School Graduate Trend*

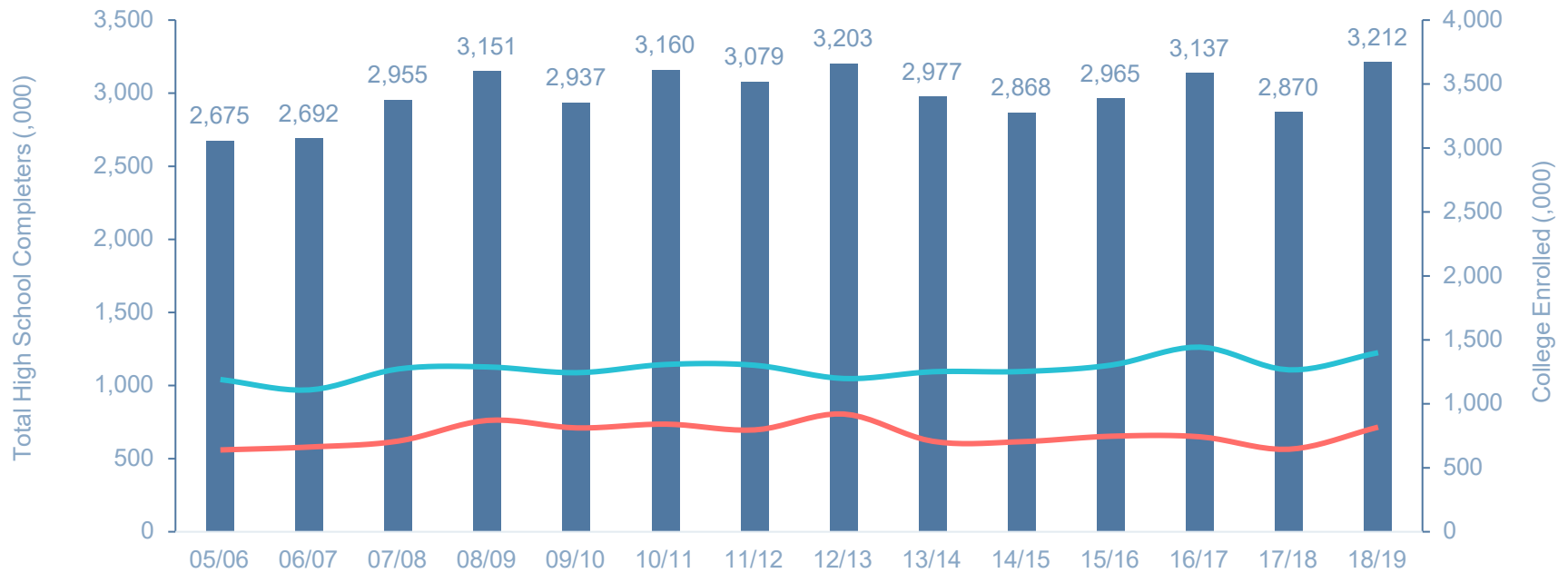


Source: information obtained 1/2021 from National Center for Education Statistics 2019; Table 219.10. https://nces.ed.gov/programs/digest/current_tables.asp
 *Projected by the National Center for Education Statistics (NCES).

High School Graduates Ages 16-24 Who Enroll in College

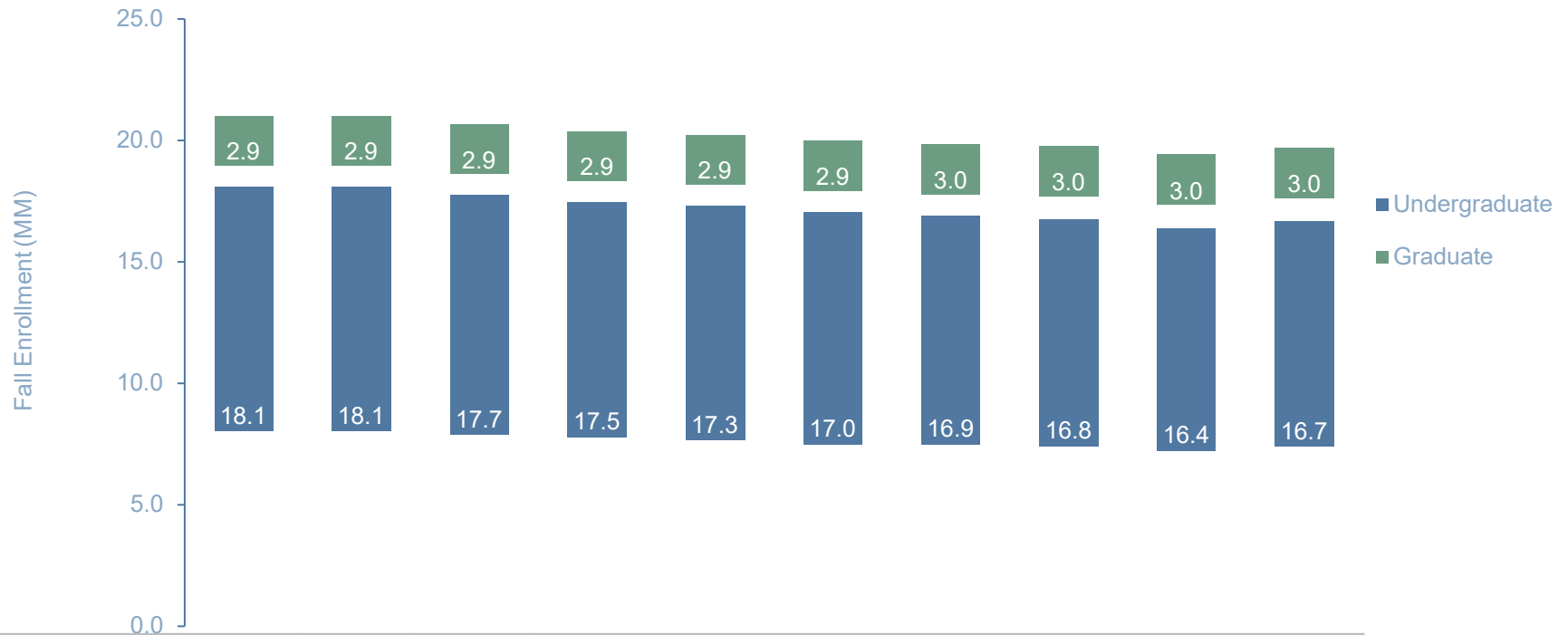
High School Graduates vs. College Enrolled (,000)

■ Ttl Hs Completers — 2-year Enrollment — 4-year Enrollment



% Enrolled in 2yr	24.0%	24.7%	24.1%	27.7%	27.7%	26.7%	25.9%	28.8%	23.8%	24.6%	25.2%	23.7%	22.6%	25.5%
% Enrolled in 4yr	44.6%	41.3%	43.1%	40.9%	42.4%	41.4%	42.3%	37.5%	42.1%	43.7%	44.0%	46.0%	44.2%	43.6%
Total Enrolled in College	68.6%	66.0%	67.2%	68.6%	70.1%	68.1%	68.2%	66.2%	65.9%	68.4%	69.2%	69.8%	66.7%	69.1%

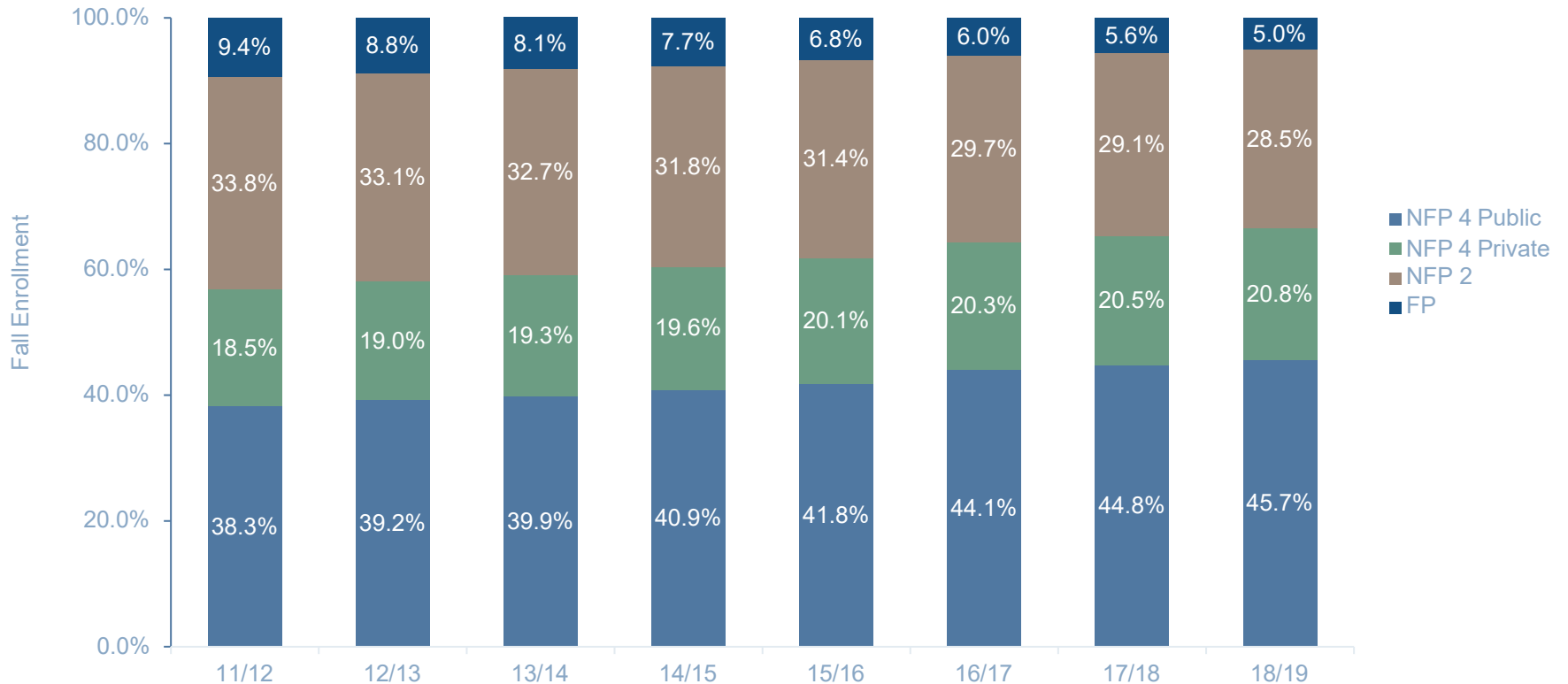
Graduate and Undergraduate Enrollment



YoY Variance	10/11	11/12	12/13	13/14	14/15	15/16	16/17	17/18	18/19	19/20*
Graduate	3.1%	(0.1%)	(0.8%)	(0.3%)	0.5%	0.9%	1.0%	1.1%	1.3%	0.2%
Undergraduate	3.5%	0.0%	(1.9%)	(1.5%)	(1.0%)	(1.4%)	(1.0%)	(0.7%)	(2.2%)	1.7%*

Source: information obtained 5/2020 from National Center for Education Statistics 2019; Table 303.8, 303.1. https://nces.ed.gov/programs/digest/current_tables.asp.
 *AY 19/20 YoY growth rates based on NCES projection.

Enrollment by School type

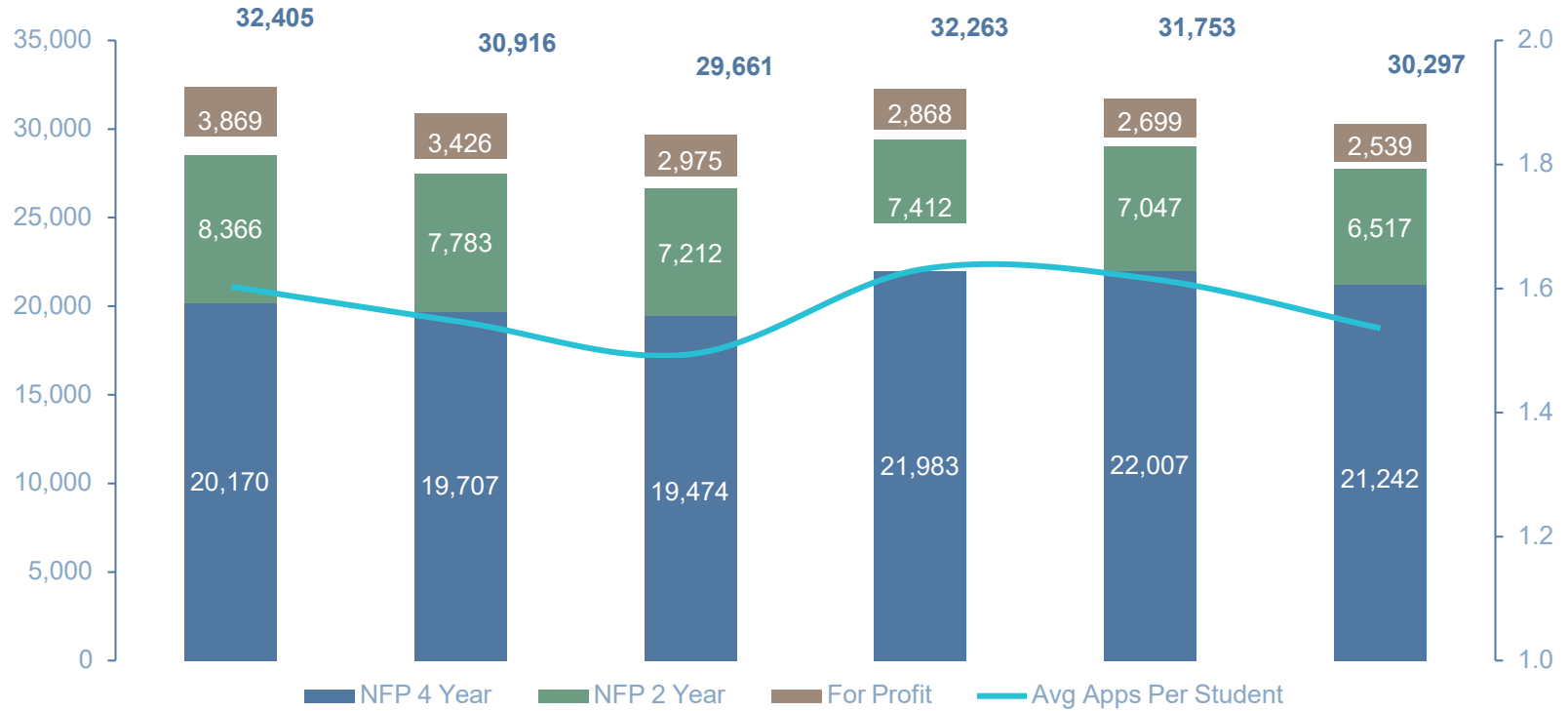


Source: information obtained 6/2019 from National Center for Education Statistics 2019; Table 303.25. https://nces.ed.gov/programs/digest/current_tables.asp.

FAFSA® Application Volume

***20/21 YTD FAFSA application is 27.5 MM vs. 19/20 YTD of 27.9 MM.**

FAFSA Applications (,000)



School Type	14/15	15/16	16/17	17/18	18/19	19/20
For Profit	12%	11%	10%	9%	9%	8%
NFP 2 Year	26%	25%	24%	23%	22%	21%
NFP 4 Year	62%	64%	66%	68%	69%	70%
Average Apps Per Student	1.6	1.5	1.5	1.6	1.6	1.5

Source: information gathered 6/2020 from Federal Student Aid Data Center (As of 6/30/20); <https://studentaid.ed.gov/sa/about/data-center/student/application-volume/fafsa-school-state>
 Enrollment data obtained 6/2020 from National Center for Education Statistics 2019; Table 303.1. https://nces.ed.gov/programs/digest/current_tables.asp.

FAFSA® by States and School Types AY19/20

State Code	For Profit	NFP 2 Year	NFP 4 Year	Other	% of Total
AK	19.4%	2.6%	78.0%	0.0%	0.1%
AL	6.6%	25.5%	67.9%	0.1%	1.5%
AR	2.4%	27.5%	68.9%	1.1%	0.7%
AS	0.0%	0.0%	100.0%	0.0%	0.0%
AZ	44.5%	19.9%	35.0%	0.6%	3.1%
CA	7.6%	31.2%	60.6%	0.6%	14.3%
CN	0.0%	0.0%	0.2%	99.8%	0.0%
CO	19.5%	12.9%	67.6%	0.0%	1.7%
CT	12.2%	16.2%	71.5%	0.1%	1.1%
DC	33.3%	0.0%	66.7%	0.0%	0.8%
DE	2.2%	19.6%	77.9%	0.4%	0.3%
FC	0.0%	0.0%	0.0%	100.0%	0.1%
FL	11.7%	4.9%	82.6%	0.8%	6.2%
FM	0.0%	100.0%	0.0%	0.0%	0.0%
GA	5.2%	17.5%	76.6%	0.8%	3.2%
GU	0.0%	37.3%	62.7%	0.0%	0.0%
HI	2.9%	26.4%	70.4%	0.3%	0.3%
IA	4.7%	27.9%	67.4%	0.0%	0.8%
ID	4.3%	18.4%	77.0%	0.2%	0.4%
IL	12.2%	24.0%	63.3%	0.4%	3.7%
IN	2.7%	14.8%	81.4%	1.2%	2.2%
KS	6.7%	28.1%	65.2%	0.0%	0.7%
KY	8.2%	24.5%	67.1%	0.2%	1.3%
LA	7.5%	23.8%	68.0%	0.7%	1.5%
MA	1.1%	12.8%	86.1%	0.0%	2.6%
MD	3.2%	25.4%	71.3%	0.0%	1.7%
ME	4.9%	17.9%	77.2%	0.0%	0.4%
MH	0.0%	100.0%	0.0%	0.0%	0.0%
MI	3.9%	25.0%	70.6%	0.5%	2.7%
MN	29.1%	22.3%	48.6%	0.0%	1.7%
MO	3.8%	21.9%	74.0%	0.4%	1.6%

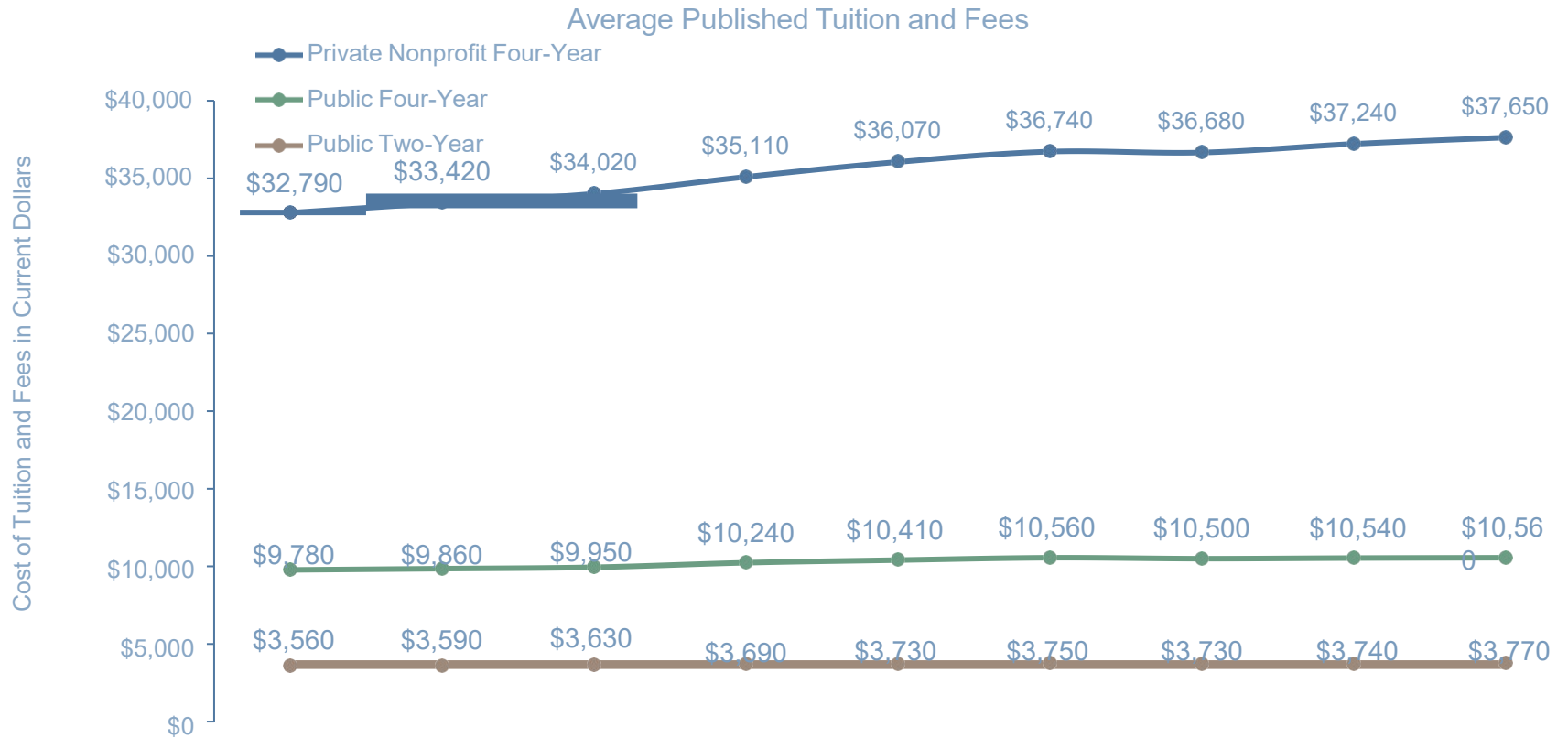
State Code	For Profit	NFP 2 Year	NFP 4 Year	Other	% of Total
MP	0.0%	0.0%	100.0%	0.0%	0.0%
MS	1.7%	37.5%	60.7%	0.2%	0.9%
MT	1.3%	11.6%	87.1%	0.0%	0.2%
MX	0.0%	0.0%	0.0%	100.0%	0.0%
NC	1.9%	27.4%	69.5%	1.1%	3.0%
ND	3.0%	10.2%	86.9%	0.0%	0.2%
NE	2.1%	21.6%	76.3%	0.0%	0.5%
NH	0.5%	5.1%	94.3%	0.1%	0.8%
NJ	6.5%	24.5%	67.7%	1.3%	2.0%
NM	5.6%	27.0%	66.9%	0.5%	0.4%
NV	10.2%	6.4%	82.9%	0.4%	0.5%
NY	5.4%	16.7%	77.6%	0.2%	6.5%
OH	5.2%	23.5%	71.1%	0.2%	3.1%
OK	6.4%	27.1%	66.2%	0.2%	1.0%
OR	4.1%	30.8%	65.0%	0.1%	1.3%
PA	3.9%	14.5%	81.2%	0.5%	3.5%
PR	23.0%	1.0%	73.6%	2.4%	0.9%
PW	0.0%	100.0%	0.0%	0.0%	0.0%
RI	3.0%	11.3%	85.6%	0.1%	0.5%
SC	4.5%	28.4%	65.9%	1.3%	1.3%
SD	7.8%	14.6%	77.6%	0.0%	0.2%
TN	5.4%	29.1%	64.9%	0.6%	2.1%
TX	5.8%	29.9%	63.6%	0.6%	8.0%
UT	11.3%	7.3%	81.1%	0.2%	1.6%
VA	5.4%	19.1%	75.1%	0.4%	2.6%
VI	0.0%	0.0%	100.0%	0.0%	0.0%
VT	0.7%	7.6%	89.9%	1.7%	0.2%
WA	2.6%	7.9%	89.2%	0.3%	1.8%
WI	1.5%	21.9%	76.2%	0.4%	1.3%
WV	29.0%	13.2%	56.8%	1.0%	0.6%
WY	3.1%	50.6%	46.3%	0.0%	0.1%

Source: information gathered 6/2020 from Federal Student Aid Data Center (As of 6/30/20); <https://studentaid.ed.gov/sa/about/data-center/student/application-volume/fafsa-school-state>. Enrollment data obtained 6/2020 from National Center for Education Statistics 2019; Table 303.1. https://nces.ed.gov/programs/digest/current_tables.asp.



Cost of attendance and student loan borrowing

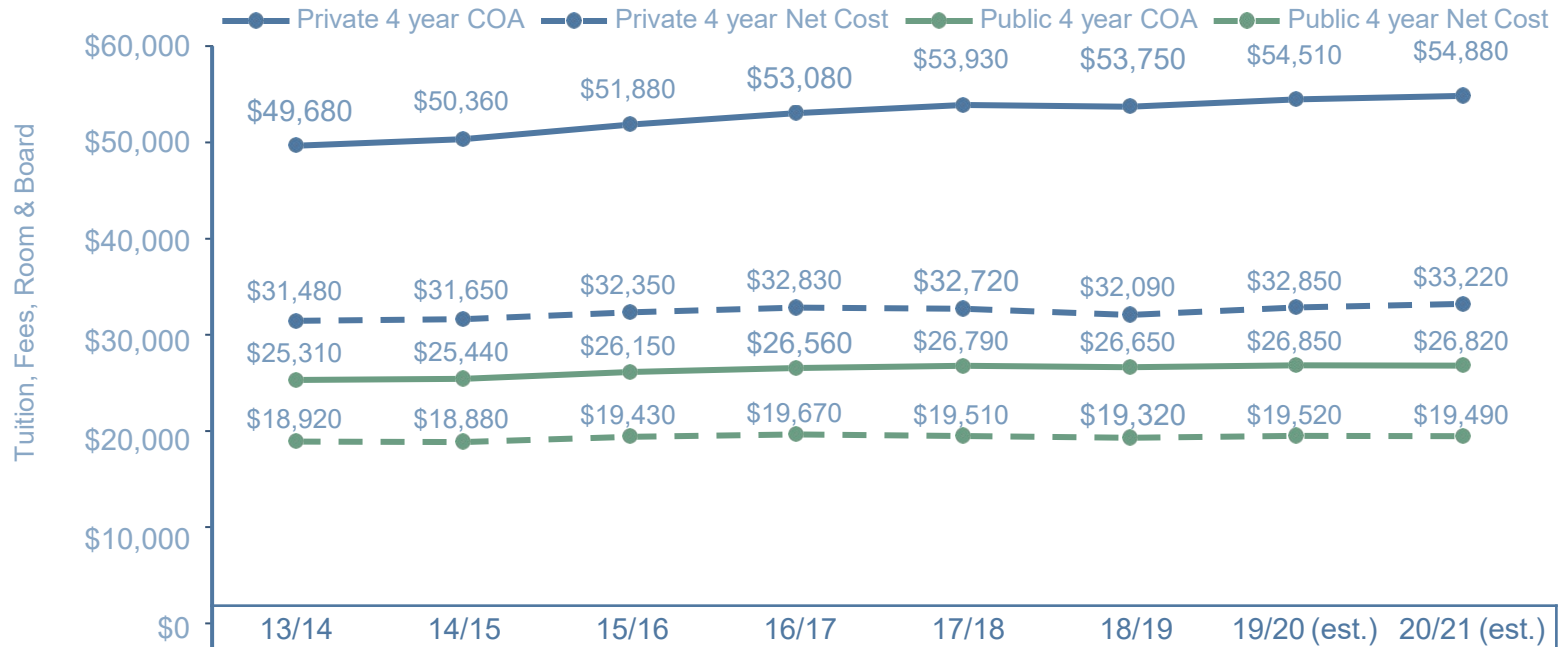
Cost of Tuition and Fees in 2020 Dollars



YoY Variance	12/13	13/14	14/15	15/16	16/17	17/18	18/19	19/20	20/21
NFP4 – Private	2.6%	1.9%	1.8%	3.2%	2.7%	1.9%	-0.2%	1.5%	1.1%
NFP4 - Public	2.9%	0.8%	0.9%	2.9%	1.7%	1.4%	-0.6%	0.4%	0.2%
NFP 2	4.4%	0.8%	1.1%	1.7%	1.1%	0.5%	-0.5%	0.3%	0.8%

Net Price* – Not for Profit 4 Year in 2020 Dollars

Net Price – Private and Public 4 Year



		13/14	14/15	15/16	16/17	17/18	18/19	19/20 (est.)	20/21 (est.)
Private	Avg Published COA	\$49,680	\$50,360	\$51,880	\$53,080	\$53,930	\$53,750	\$54,510	\$54,880
	Growth in Published COA	1.6%	1.4%	3.0%	2.3%	1.6%	-0.3%	1.4%	0.7%
	Avg Net Price	\$31,480	\$31,650	\$32,350	\$32,830	\$32,720	\$32,090	\$32,850	\$33,220
	Growth in Net Price	0.4%	0.5%	2.2%	1.5%	-0.3%	-1.9%	2.4%	1.1%
	Discount Rate	37%	37%	38%	38%	39%	40%	40%	39%
Public	Avg Published COA	\$25,310	\$25,440	\$26,150	\$26,560	\$26,790	\$26,650	\$26,850	\$26,820
	Growth in Published COA	0.7%	0.5%	2.8%	1.6%	0.9%	-0.5%	0.8%	-0.1%
	Avg Net Price	\$18,920	\$18,880	\$19,430	\$19,670	\$19,510	\$19,320	\$19,520	\$19,490
	Growth in Net Price	-0.1%	-0.2%	2.9%	1.2%	-0.8%	-1.0%	1.0%	-0.2%
	Discount Rate	25%	26%	26%	26%	27%	28%	27%	27%

Source

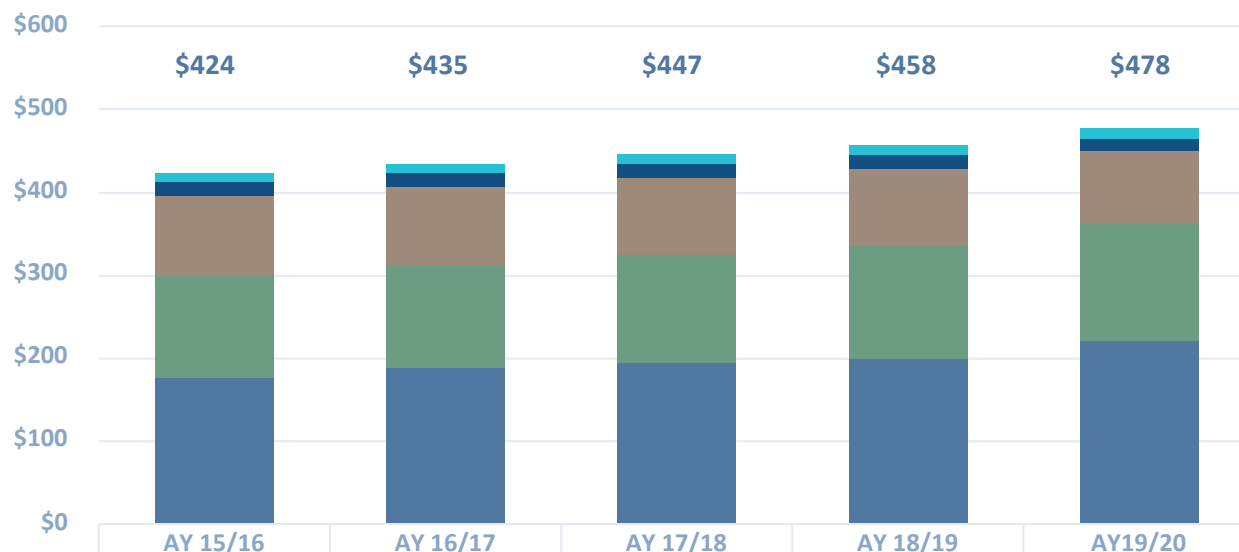
<https://trends.collegeboard.org/college-pricing>

*What students actually pay after subtracting grant aid and tax credits.

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Education Funding Sources

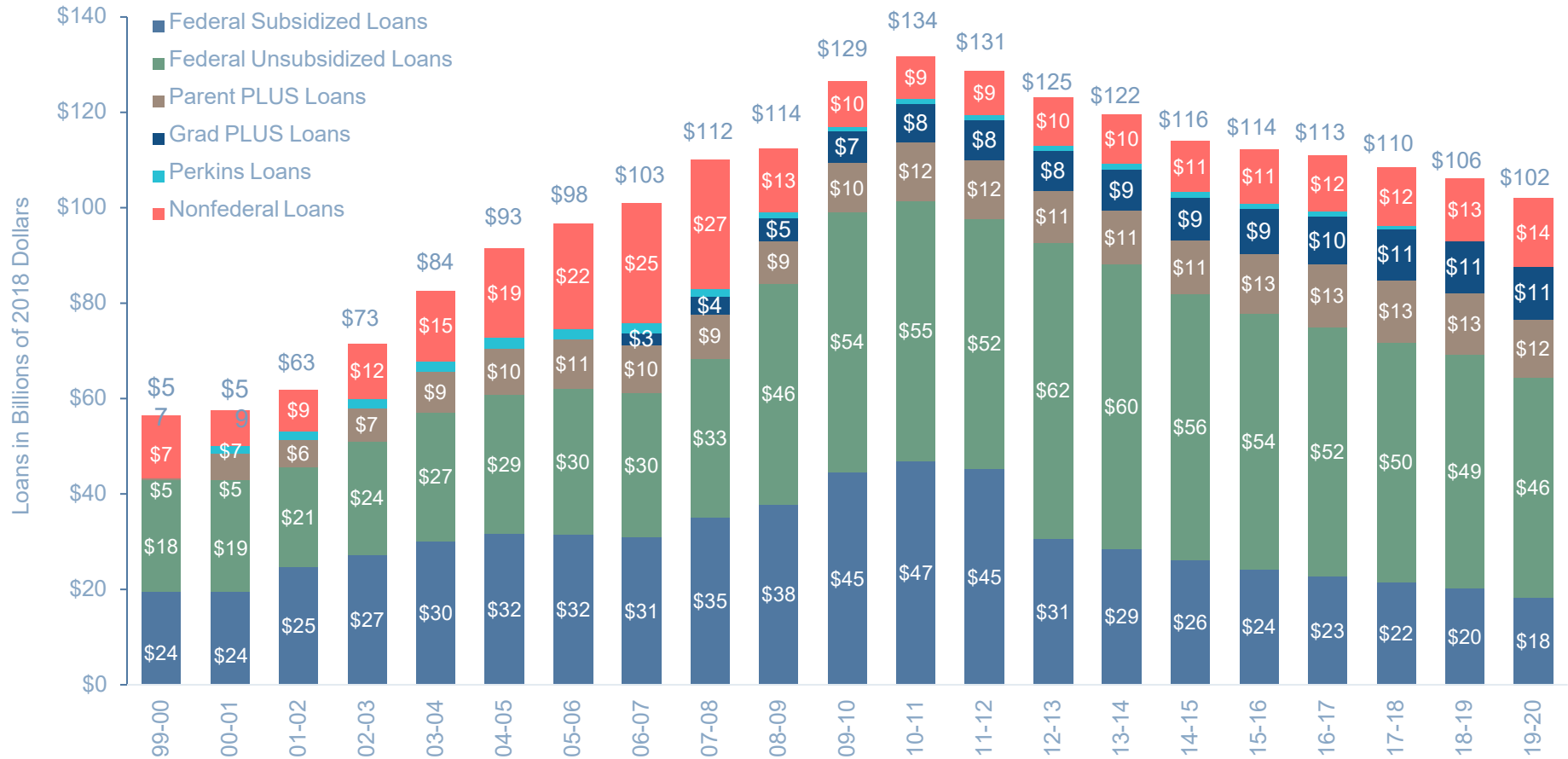
Education Funding Sources (Dollars in Billions)



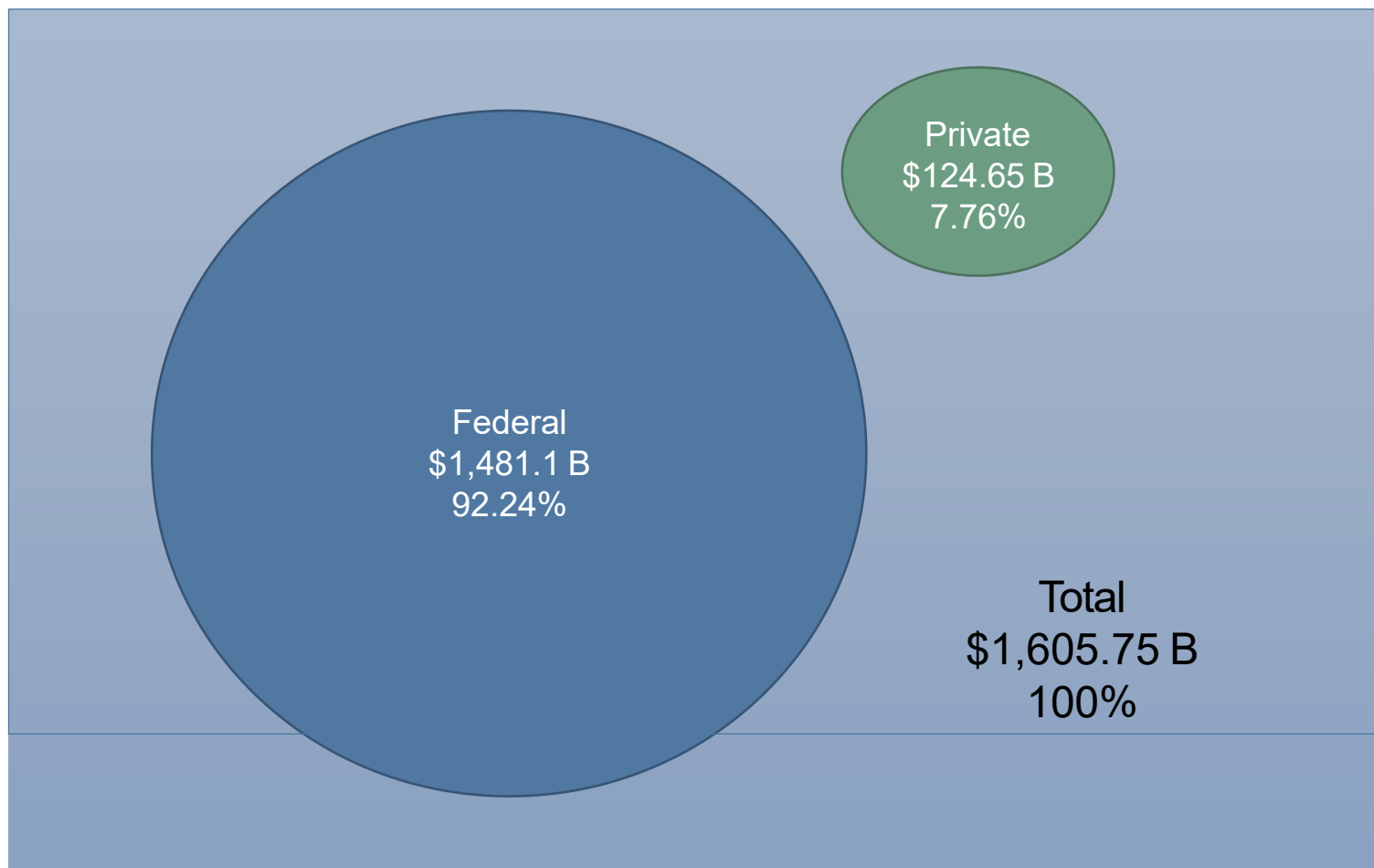
	AY 15/16	AY 16/17	AY 17/18	AY 18/19	AY 19/20
Private Education Loans	2.4%	2.3%	2.5%	2.6%	2.7%
Tax Benefits & Work Study	4.2%	3.9%	3.8%	3.7%	2.9%
State & Federal Loans	22.6%	21.8%	20.8%	20.3%	18.4%
Grants	29.0%	28.5%	29.3%	29.7%	29.5%
Family Contribution	41.7%	43.4%	43.6%	43.7%	46.4%

Source: information gathered 01/2021 CollegeBoard2020 – Trends in Student Aid <https://trends.collegeboard.org/student-aid> and internal Marketing Size Model estimation

Education Loans: Growth in Federal & Private Loans



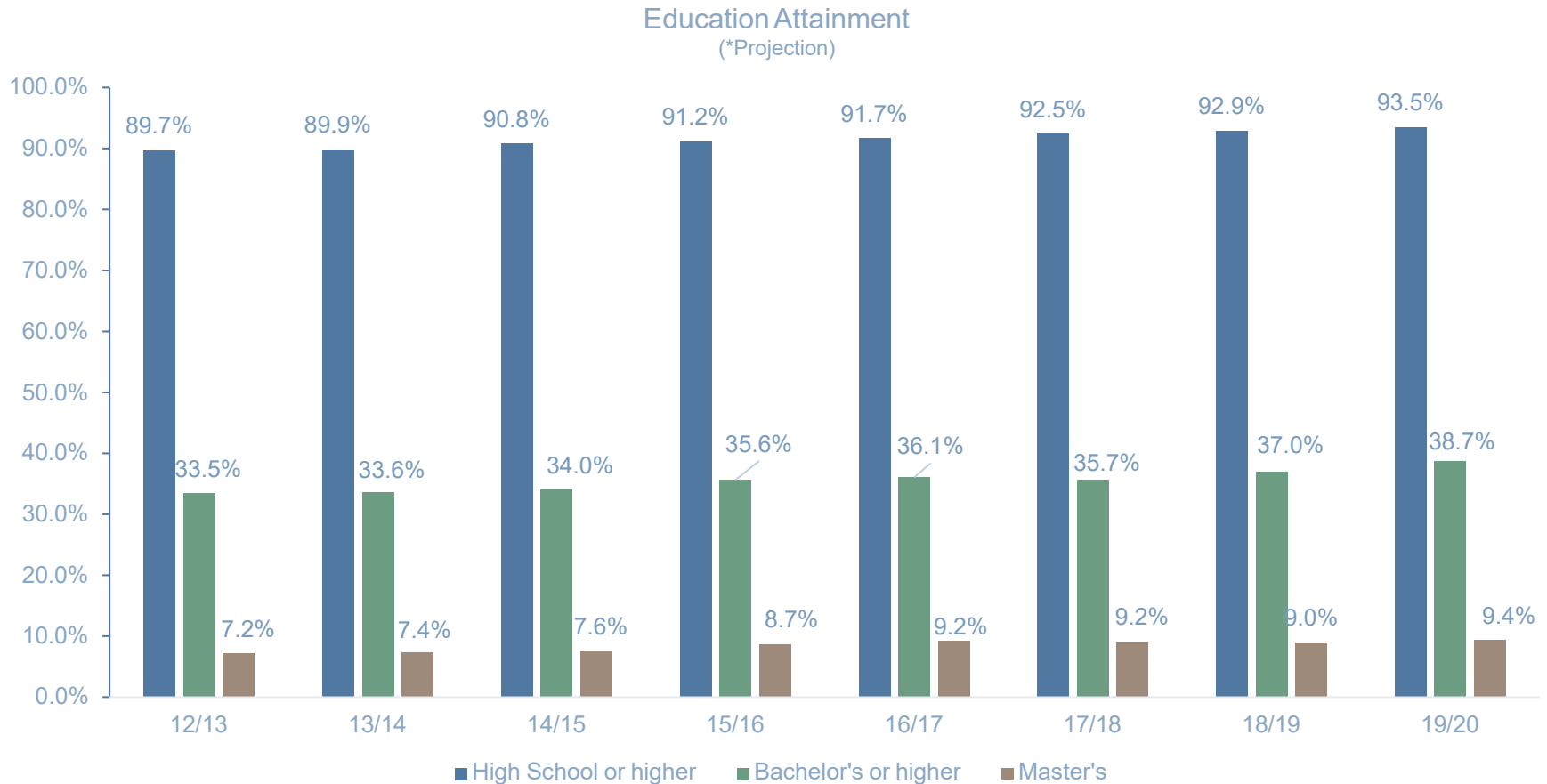
Federal vs Private Student Loan Debt Outstanding



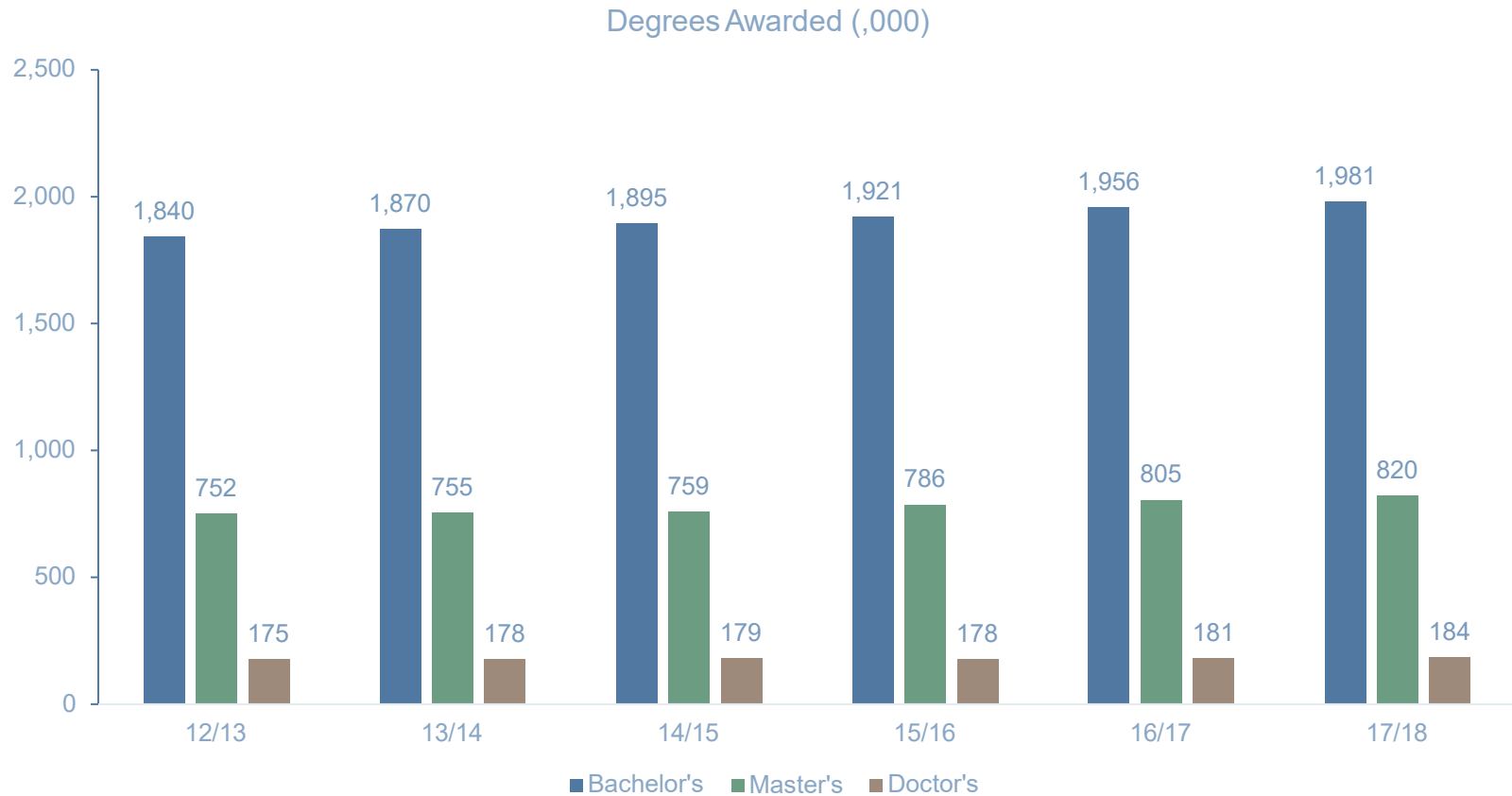


The value of an education

Education Attainment Levels (Age 25-29)

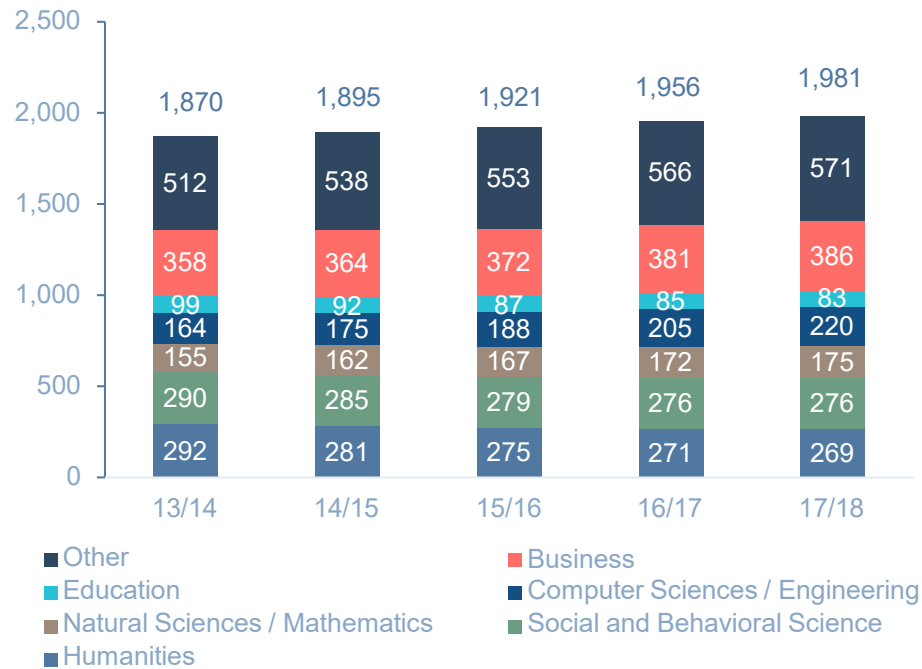


Total Degrees Awarded

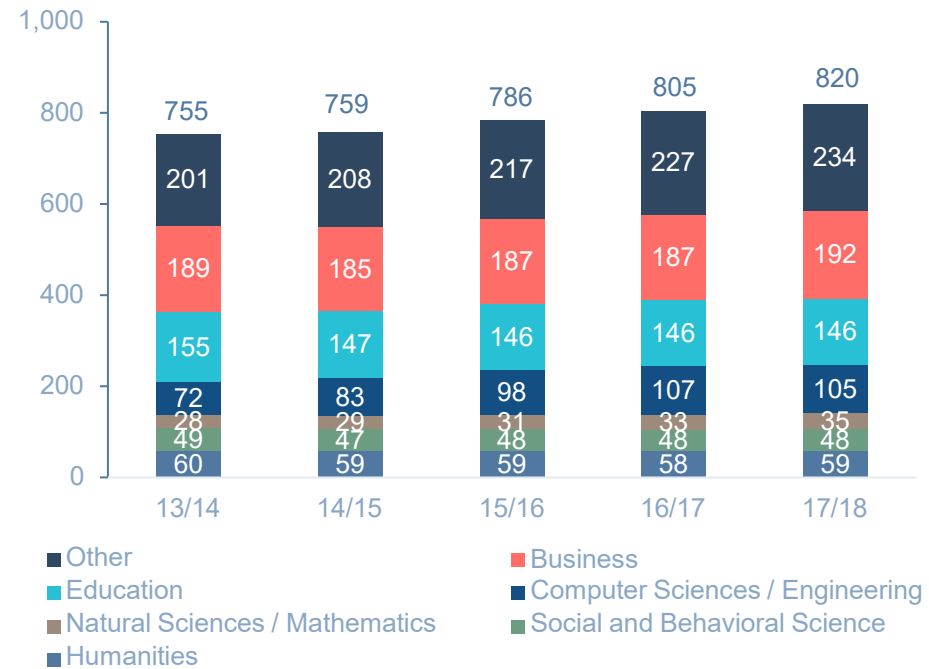


Total Degrees Awarded by Field of Study

Bachelor's (,000)

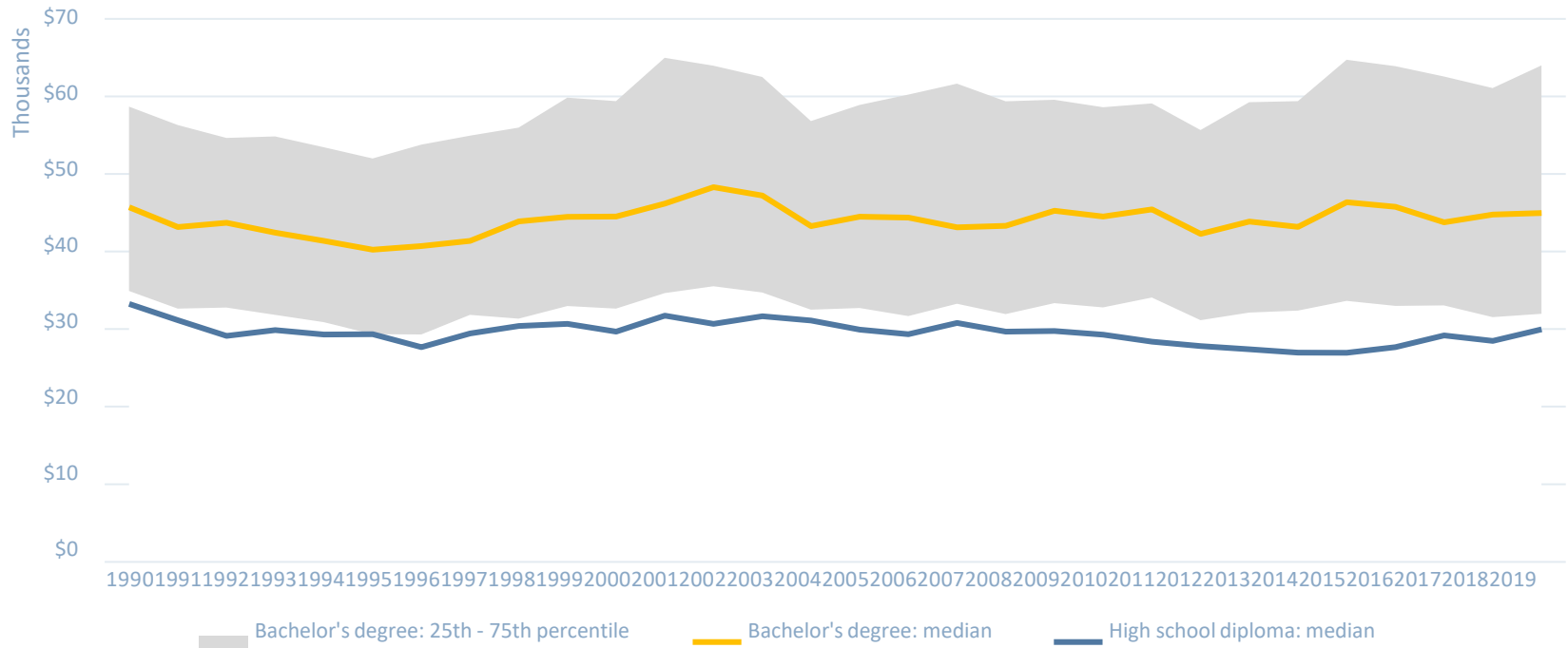


Master's (,000)



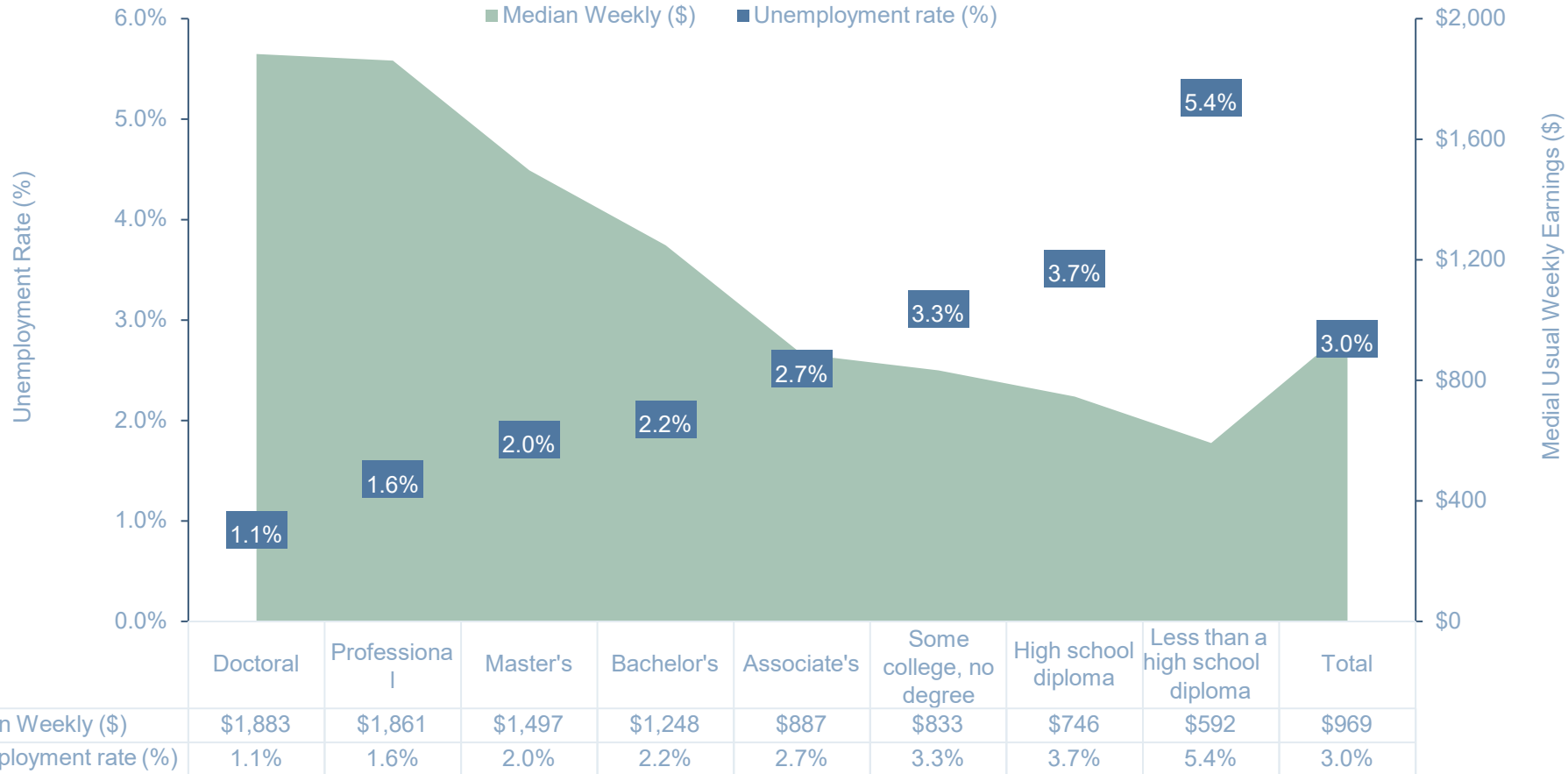
Earnings for College Graduates

Wages of Recent College Graduates vs. High School Diploma



Impact of Higher Education on Unemployment

Unemployment Rates and Median Usual Weekly Earnings by Educational Attainment, 2018



Source: information obtained 5/2020 from Bureau of Labor Statistics; <https://www.bls.gov/emp/chart-unemployment-earnings-education.htm>



- **Repayment success**

Federal Loan Repayment Plans

Standard Repayment

- Fixed payment amount for 10 years

Graduated Repayment

- Payments start low but gradually increase and are paid off within 10 years

Extended Repayment

- Payments are fixed or graduated and are paid off within 25 years

Income Driven Repayment

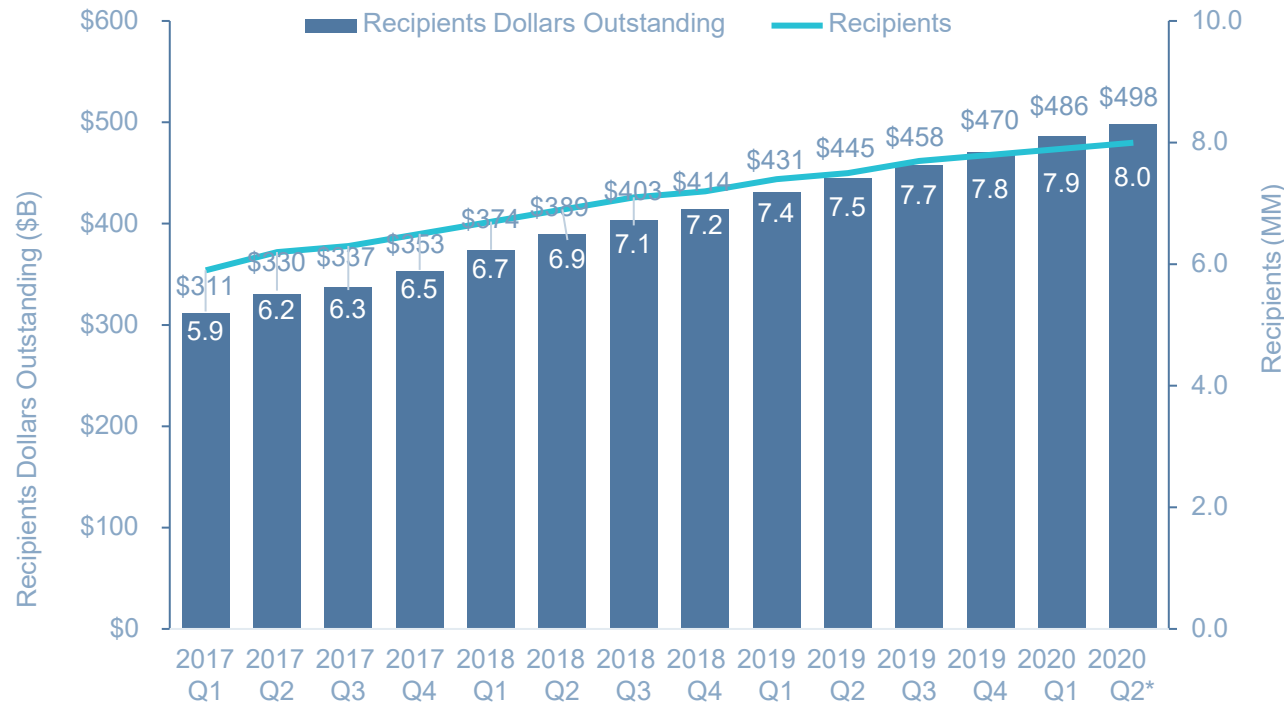
- **Income Based Repayment:** Lower of 10%-15% of income or fixed 10 year loan, forgiven after 20-25 years
- **Income Contingent Repayment:** Lower of 20% of income or fixed 12 year loan, forgiven after 25 years
- **Income Sensitive Repayment:** Repayment based on income with loan paid in full within 15 years
- **Pay as You Earn (PAYE):** Lower of 10% of income or fixed 10 year loan, forgiven after 20 years
- **Revised Pay as You Earn (REPAYE):** 10% of income, forgiven after 20 years undergrad only, 25 years if graduate

Consolidation

- Payments made between 10-30 years

Participation in Federal Income Driven Repayment Plans

Participation in Income Driven Repayment Programs



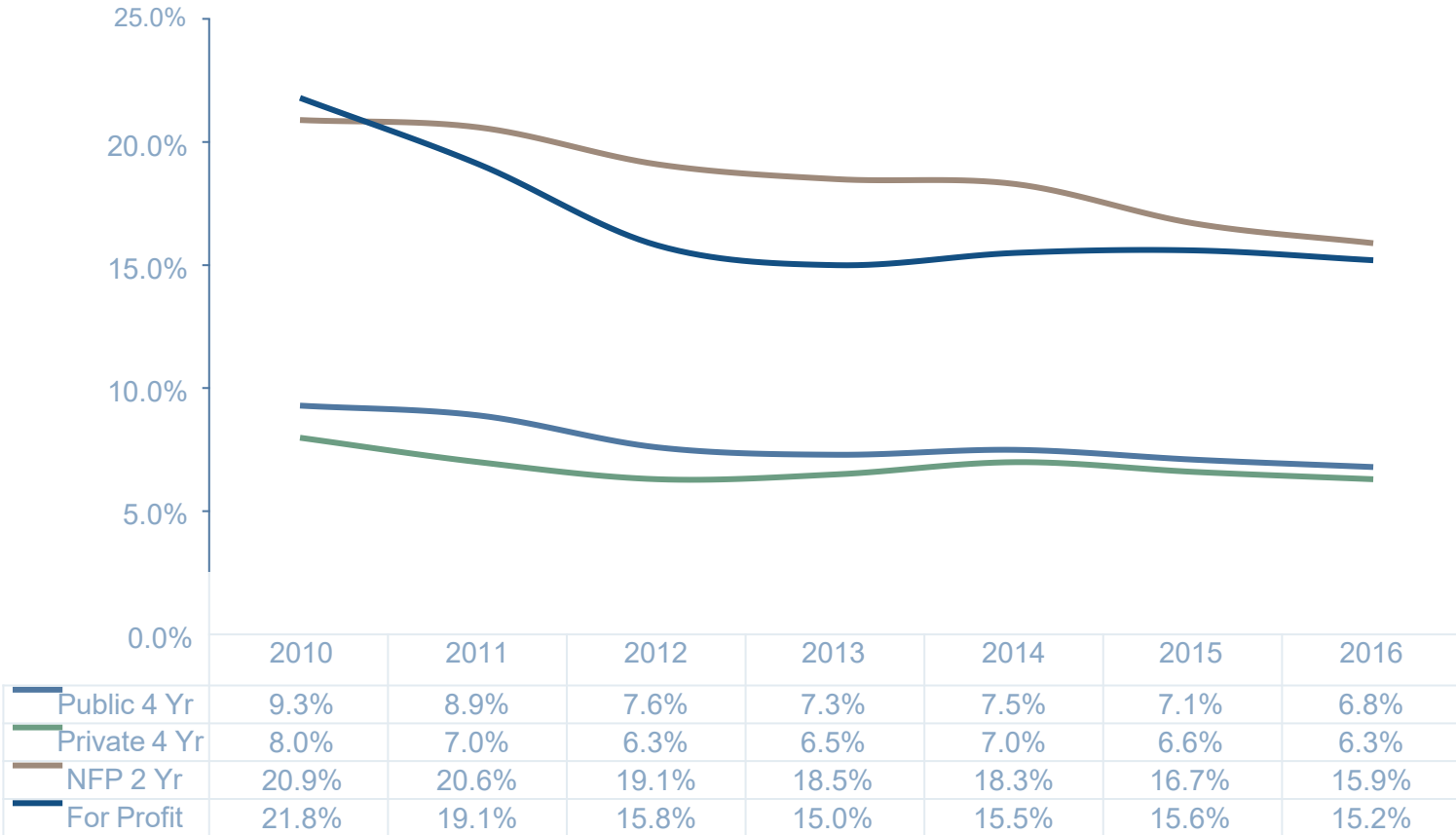
Quarter	Total DL Borrowers (MM)	% Borrowers in IBR
2017 Q1	22.3	26.6%
2017 Q2	22.5	27.7%
2017 Q3	23.0	27.3%
2017 Q4	23.0	28.3%
2018 Q1	23.8	28.3%
2018 Q2	23.8	29.0%
2018 Q3	24.1	29.4%
2018 Q4	24.0	30.0%
2019 Q1	25.0	29.5%
2019 Q2	25.0	30.1%
2019 Q3	25.2	30.4%
2019 Q4	25.0	31.1%
2020 Q1	25.5	31.0%
2020 Q2*	25.5	31.5%

*Fiscal Quarters Estimation

Source: information obtained 6/2020 from Federal Student Aid Data; <https://studentaid.ed.gov/sa/about/data-center/student/portfolio>

Federal Cohort Default Rate by School Type

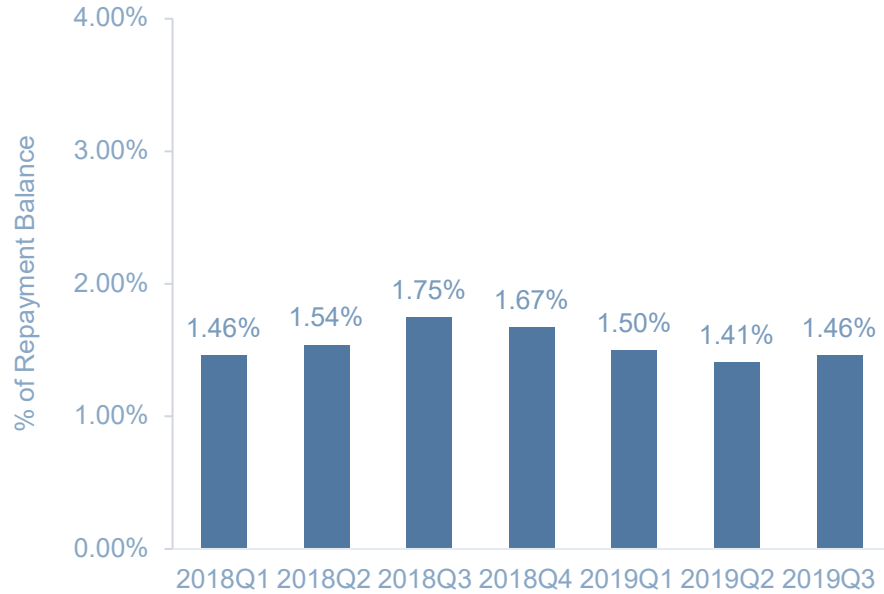
3 Year Cohort Default Rate*



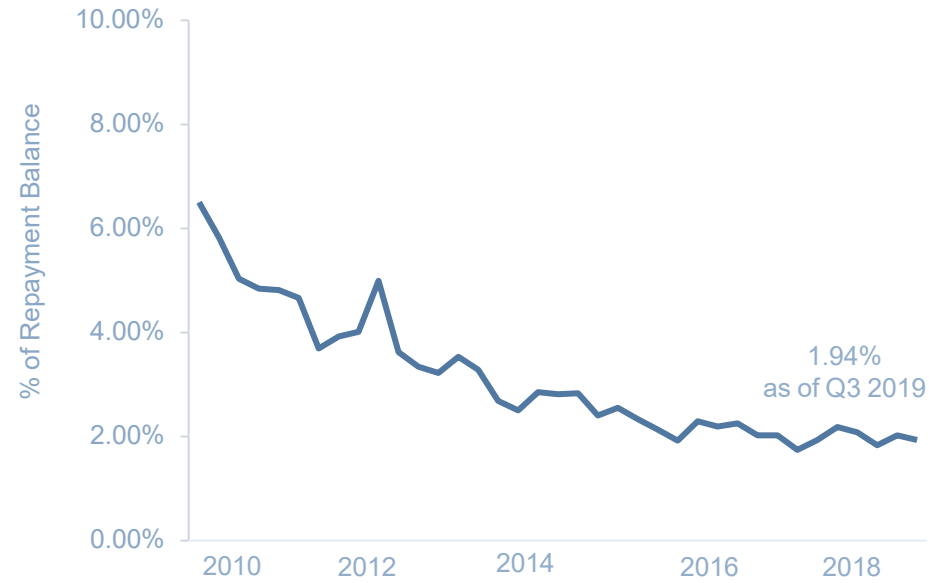
Source: information obtained 6/2019 from National Center for Education Statistics 2018; Table 332.50.
https://nces.ed.gov/programs/digest/current_tables.asp
 * The 3-year cohort default rate is the percentage of borrowers entering repayment during the specified fiscal year and defaulting by the end of the second fiscal year that follows.

Private Loan Delinquency and Charge-Off Rates

90+ Days Delinquent
(% of Outstanding Balance in Repayment)



Annualized Gross Charge Off Rates
(% of Outstanding Balance in Repayment)



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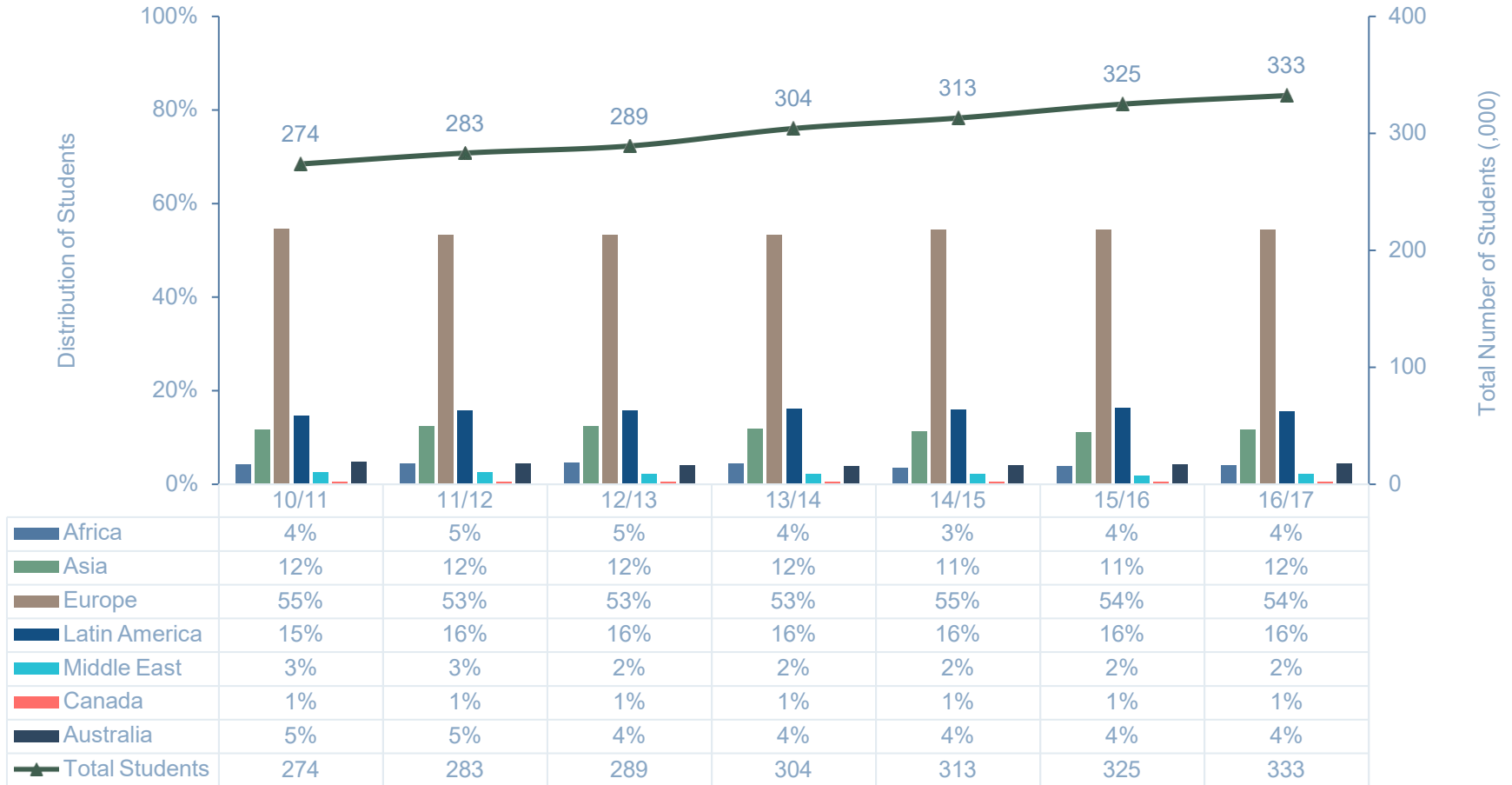
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• **Appendix**

US Students Studying Abroad by Region (appendix)

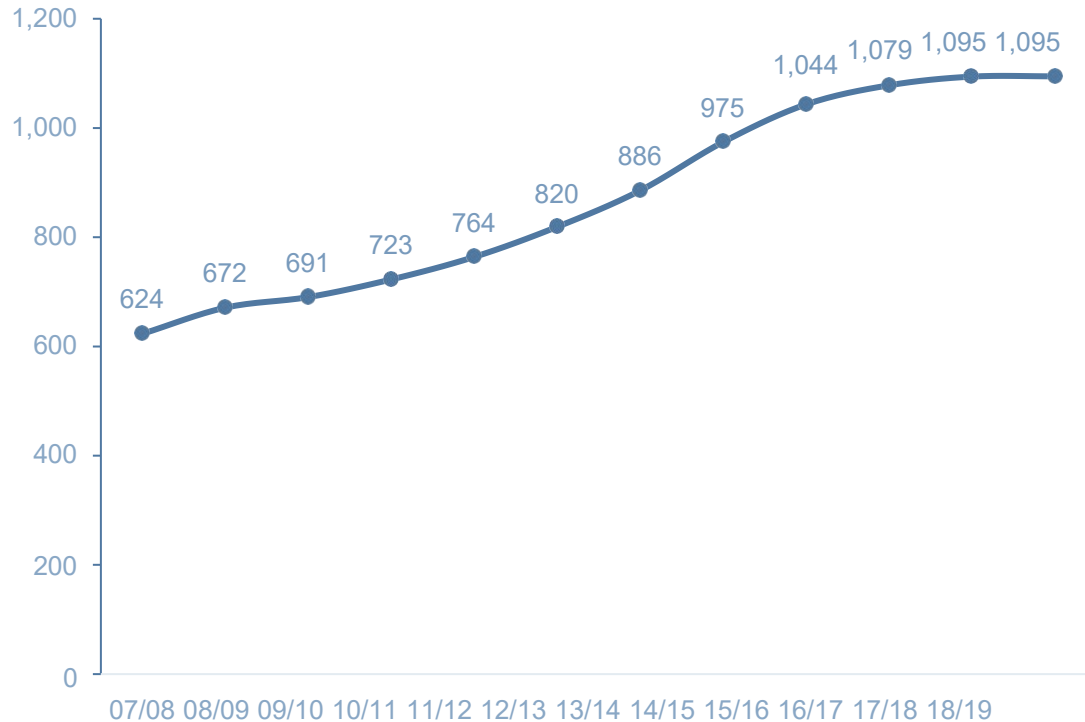
US Students Studying Abroad by Region (,000)



Source: information obtained 6/2019 from National Center for Education Statistics 2018; Table 310.10. https://nces.ed.gov/programs/digest/current_tables.asp

Foreign Students Enrolled in US Institutions

Foreign Enrollment (,000)



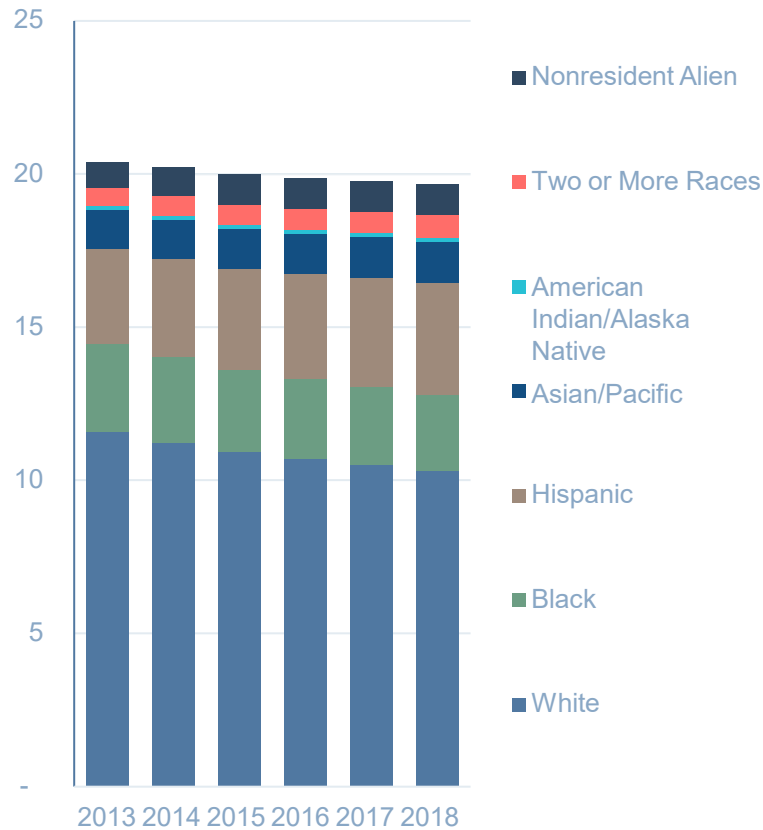
Place of Origin	Number of Students	% of Total
China	369,548	33.7%
India	202,014	18.4%
South Korea	52,250	4.8%
Saudi Arabia	37,080	3.4%
Canada	26,122	2.4%
Vietnam	24,392	2.2%
Taiwan	23,369	2.1%
Japan	18,105	1.7%
Brazil	16,059	1.5%
Remaining	326,360	29.8%
Total	1,095,299	100%

Academic Level	Number of Students	% of Total
Undergraduate	431,930	39%
Graduate	377,943	35%
Non-Degree	62,341	6%
OPT	223,085	20%
Total	1,095,299	100%

Source: information gathered 5/2020 from <https://www.iie.org/Research-and-Insights/Open-Doors/Data/International-Students/Places-of-Origin> & <https://www.iie.org/Research-and-Insights/Open-Doors/Data/International-Students/Enrollment>

Enrollment trends by demographics – Ethnicity (appendix)

College Enrollment



Percentage

