Institutional Loan Programs:

UW-Madison & Marist College

Climb Credit as a Partner

COHEAO 2021

Climb Credit – Laura Fitzpatrick

Marist College – Joe Weglarz

UW-Madison – Jeff "JP" Pfund

UW-Madison

University of Wisconsin–Madison

POINTS OF PRIDE

RANKINGS

#1 University system for producing Fortune 500 CEOs (2018)

#1 in Peace Corps volunteers (2020)

8th In nation for research expenditures (2018)

#3 Doctorates granted among U.S. universities (2018)

11th Kiplingers Best Value Public Colleges In-State (2019)

13th Best public college (*U.S. News & World Report*, 2020)

26th Center for World University Rankings (2020–2021)

STRENGTH IN NUMBERS

1,000+ CEOs who are UW–Madison alumni

$15 Billion Economic impact to the state

10 Academy Award–winners who are UW alumni

20 Nobel Prizes won by faculty or alumni

41 Pulitzer Prizes won by faculty or alumni

400+ Startups formed from UW–Madison research

451,446 Living alumni

STUDENT SUCCESS

Awarded a record **11,113** degrees in 2019–20

7,459 bachelor's **2,314** master's **1,340** doctorates

3.92 Average years to degree (2019–2020)

88.5% Six-year graduation rate, top 10 among public universities in the U.S.

95.2% Freshman retention rate

QUICK FACTS (fall, 2020)

45,540 Total students

31,650 Undergraduates

13,890 Grad, professional, & special

23,664 WI resident students

21,876 Nonresident students

31 Average class size

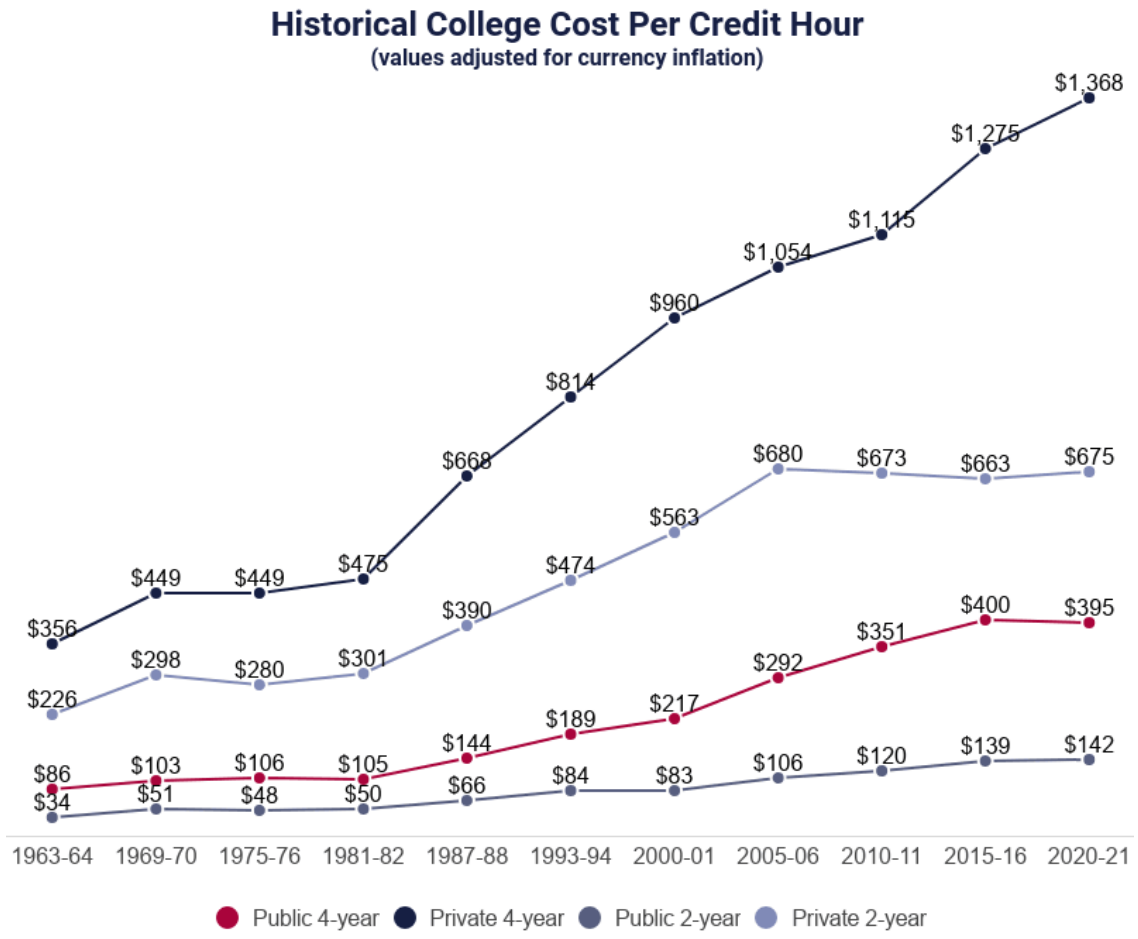
13 Schools and colleges

115 Countries are home for UW students

50 U.S. states represented by our students

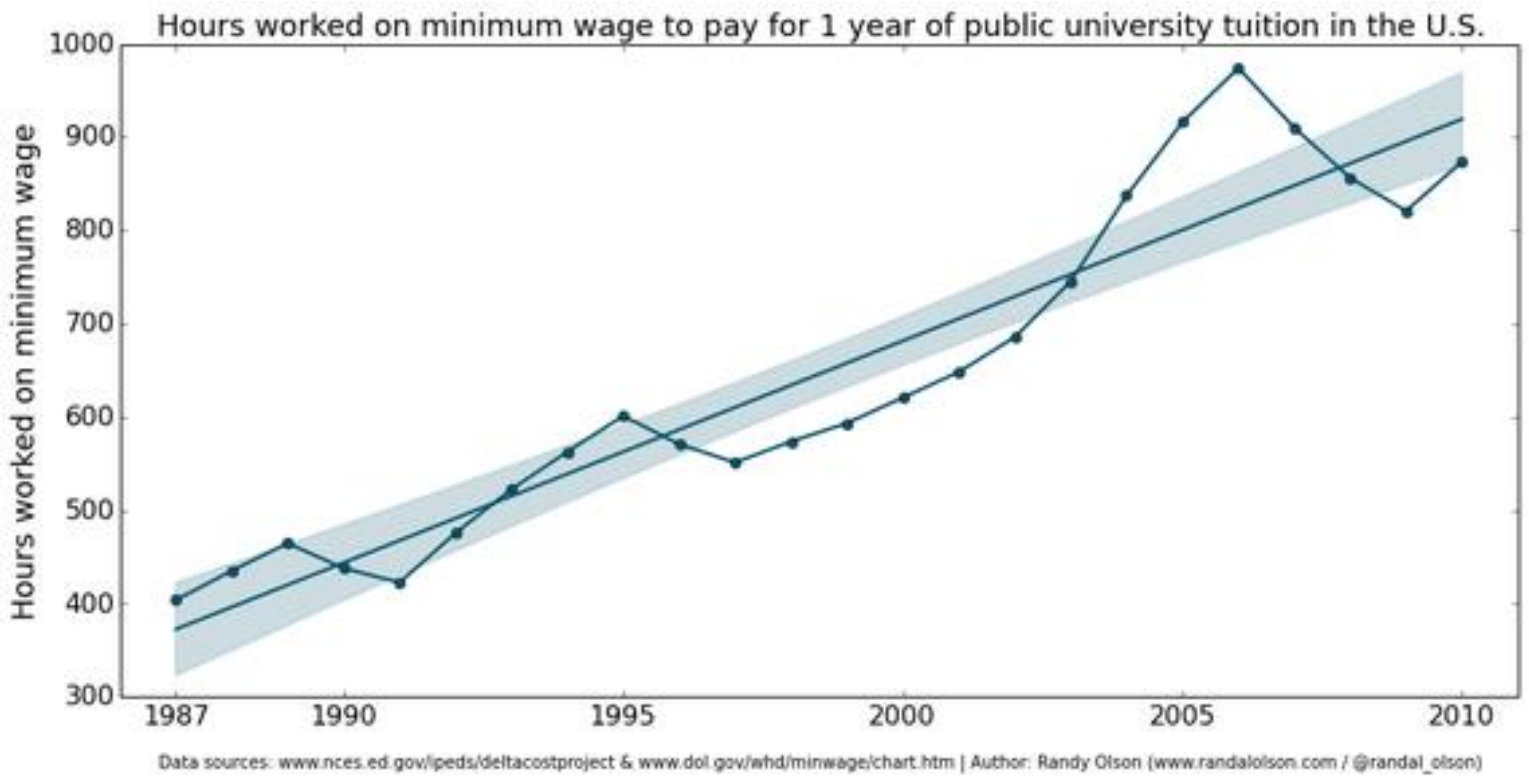
December 2020

Access & Affordability



Educationdata.org

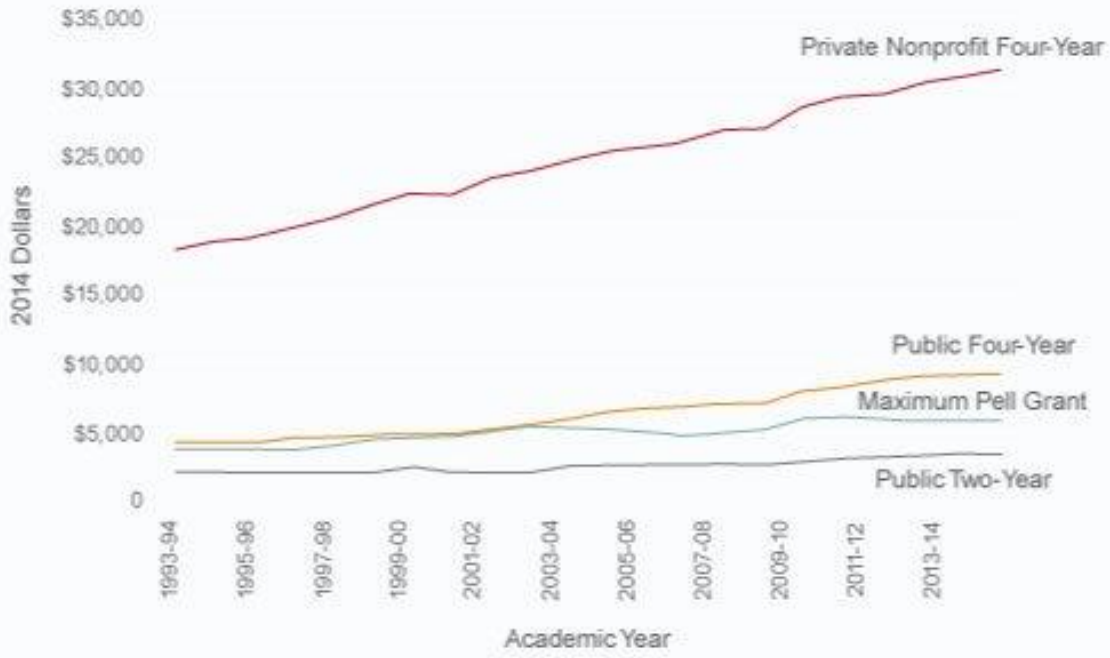
Access & Affordability



Theatlantic.com

Access & Affordability

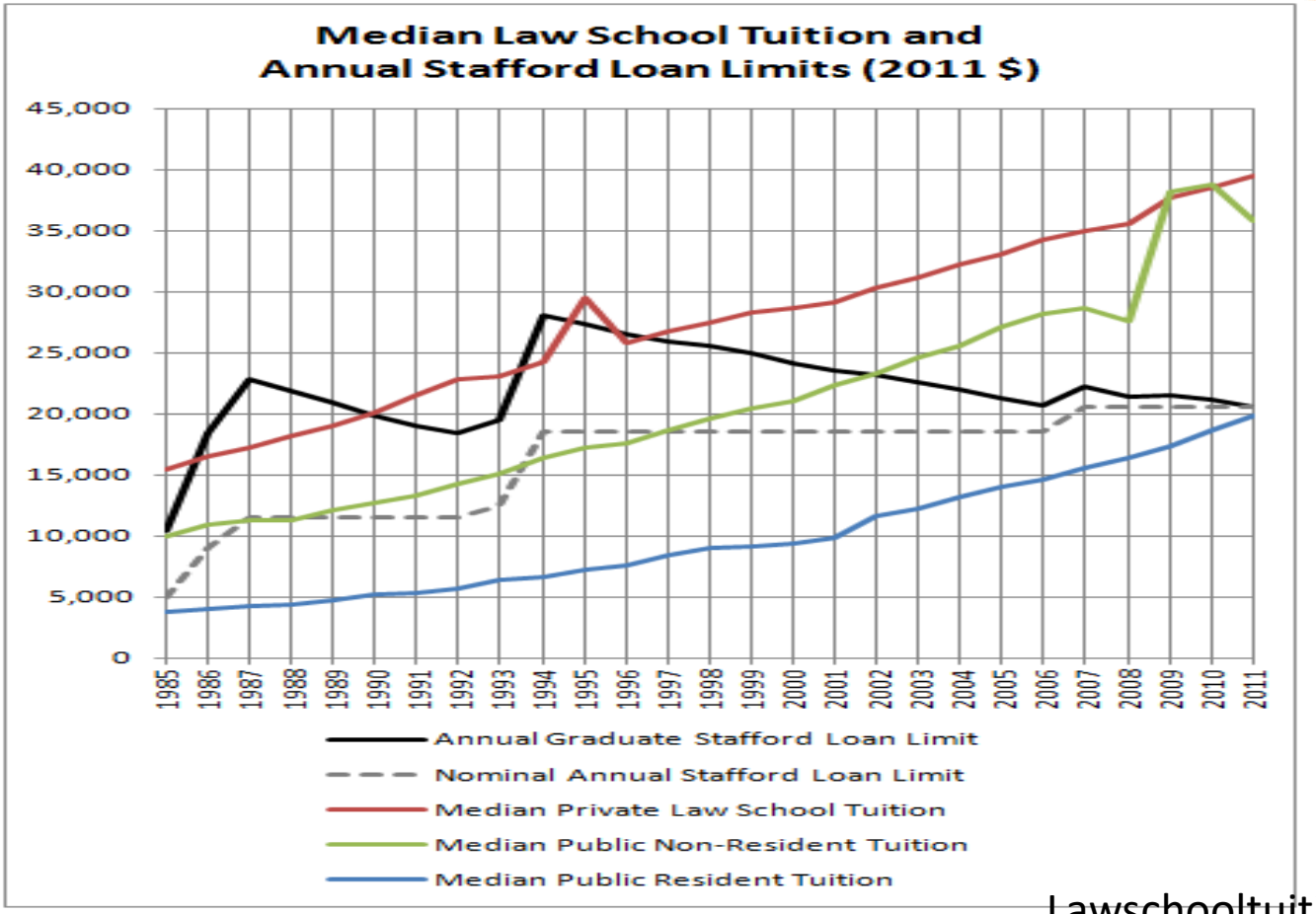
FIGURE 2:
Maximum Pell Grant and Published Tuition and Fees at Public and Private Nonprofit Four-Year and Public Two-Year Institutions, 1994-95 to 2014-15 (2014 Dollars)



aid gap

Source: The College Board, Trends in Student Aid 2014, Figure 23 based on data from the Federal Pell Grant Program End-of-Year Report, 2012-13; unpublished data from the U.S. Department of Education, Office of Postsecondary Education; and The College Board, Trends in College Pricing 2014.

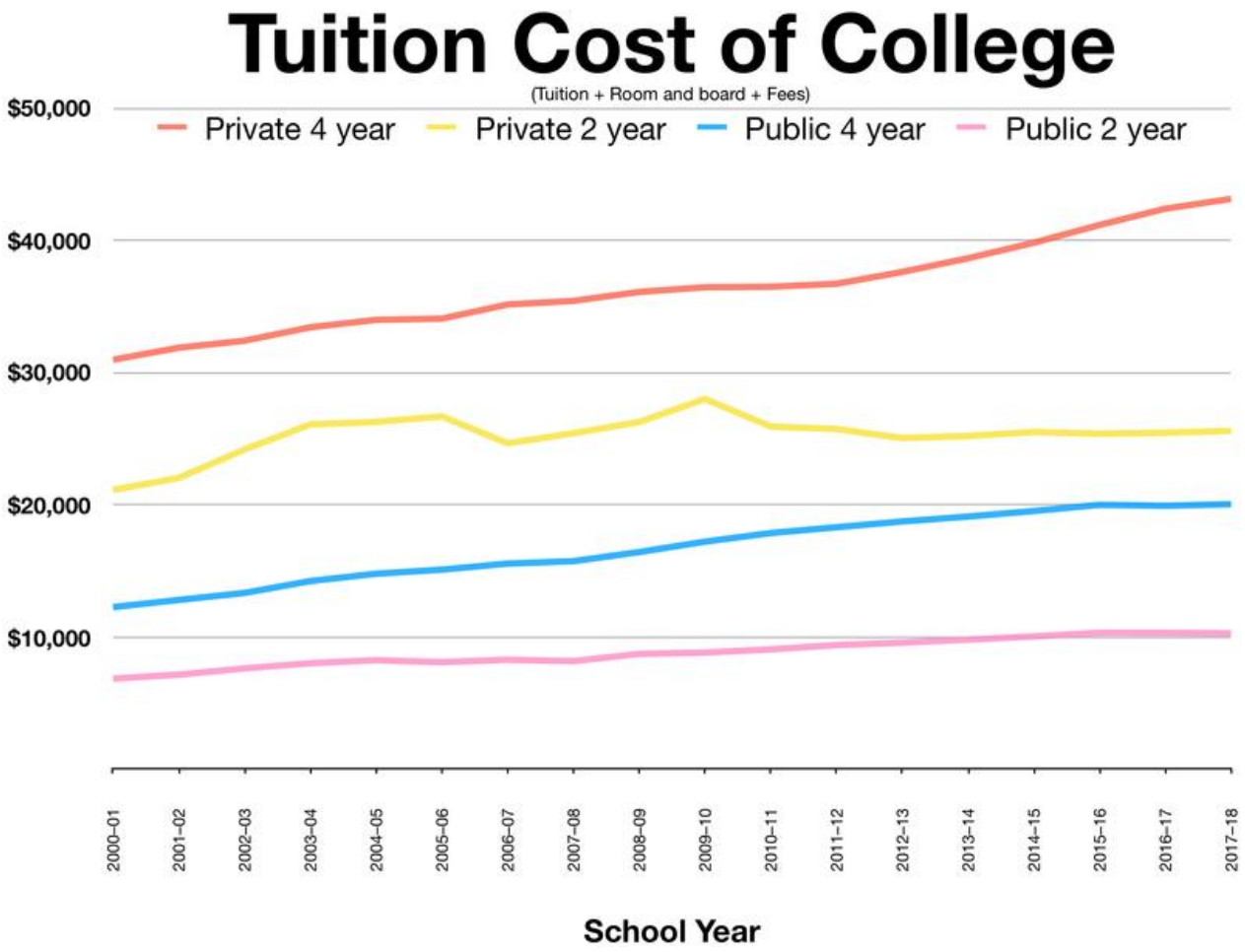
Access & Affordability



aid gap

Lawschooltuitionbubble.com

Access & Affordability



aid gap

wikipedia

Access & Affordability

Non-edu companies finance their products…

BOEING

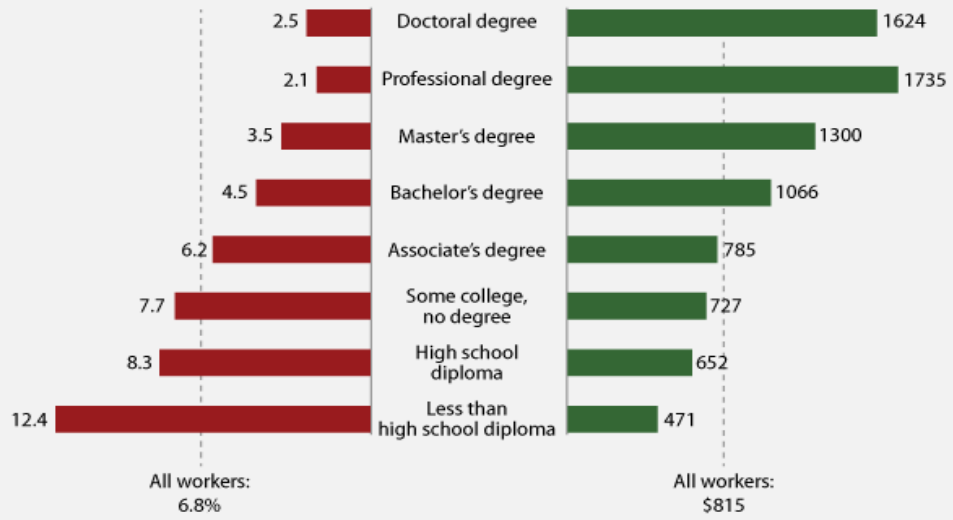
Ford

FordCredit

Perhaps a school should help finance, what is your social contract?

FIGURE 1

Unemployment rates and median weekly earnings by educational attainment, 2012



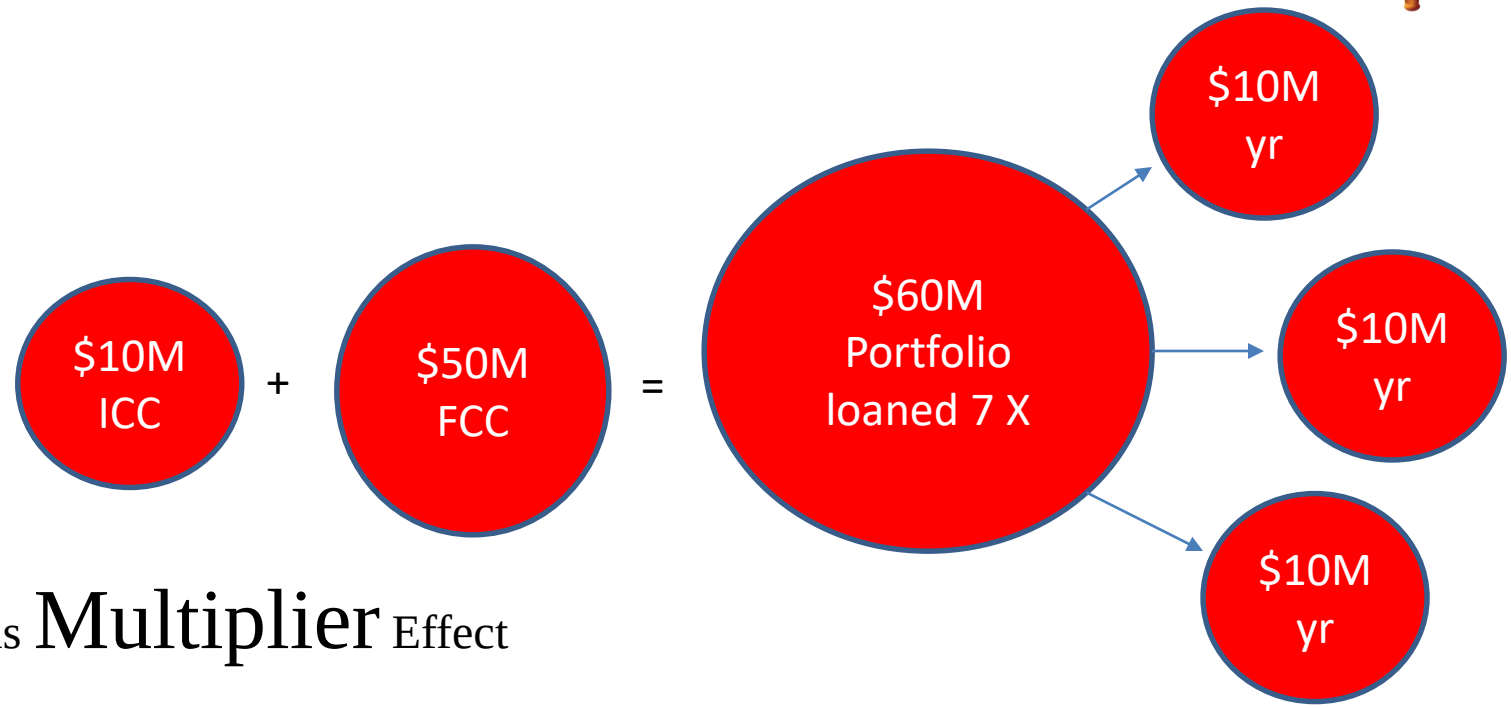
Source: U.S. Bureau of Labor Statistics, *Current Population Survey* (U.S. Department of Labor, 2013).

Thoughts on school financing

- Be more competitive
- Increase affordability
- Increase retention (completion loan?)
- Increase filled seats
- Specified by alumni, company or foundation campaign

- Institutional Loan Program
  - UW-Madison
    - 40+ years, donor funded generally
    - Revolving/Self Supporting
    - Low default rates
- Marist College
- Partnering with Climb Credit

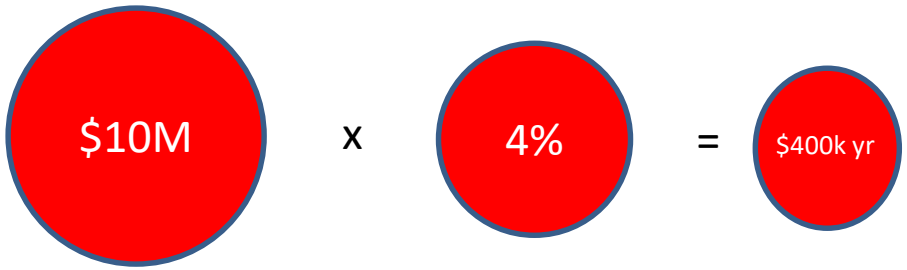
Traditional Perkins Multiplier



Perkins Multiplier Effect

Perkins Protections – no statute of limits, etc

Loss of Multiplier



Less impact

Less protections

COHEAO Inst. Loan White Paper

- Work in progress, it will evolve with the times
- Helps organize the need (how can we help our students and community?) and marries the details (where can I find a loan note?) with the roll out process (how do I express appreciation to a major donor?)
- Ask COHEAO for a copy

Example

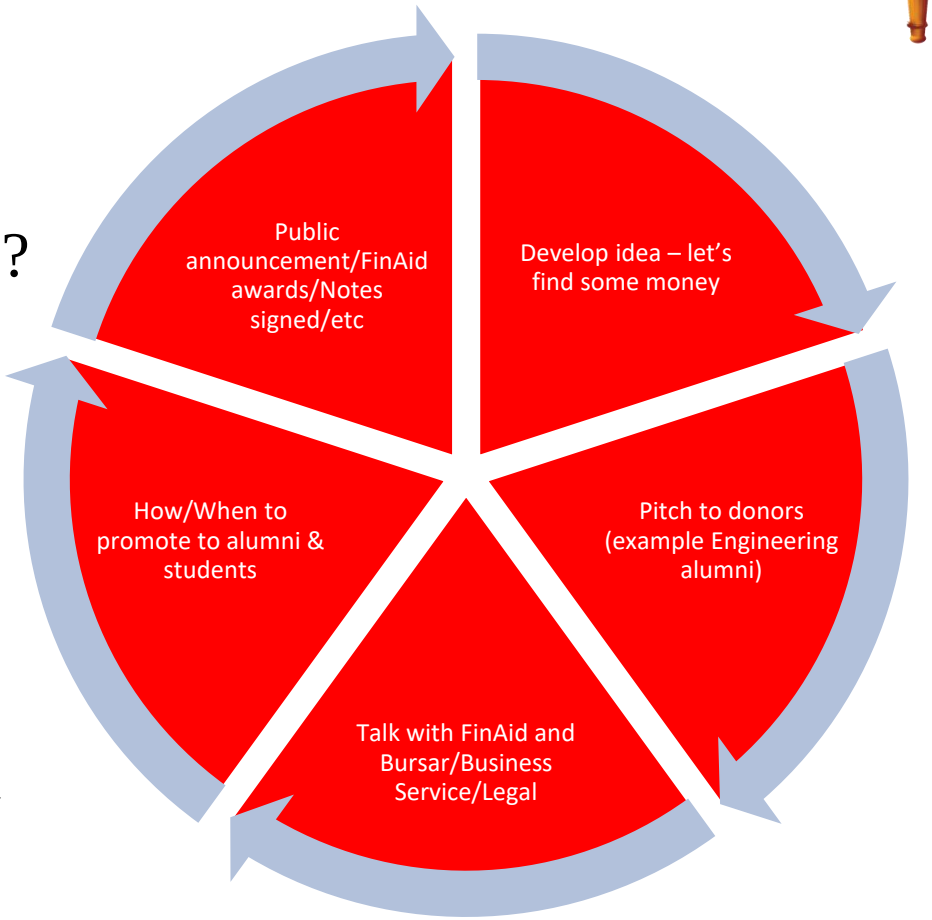
- https://tec.education.wisc.edu/teacher-pledge/
- **UW–MADISON SCHOOL OF EDUCATION WISCONSIN TEACHER PLEDGE PROGRAM**
- https://youtu.be/keeVvUR5HIg
- https://youtu.be/dgaYC16K-mU

Example: Vison

UW–MADISON SCHOOL OF EDUCATION WISCONSIN TEACHER PLEDGE PROGRAM: In order to provide schoolchildren with the best possible education, the School of Education is dedicated to strengthening and diversifying Wisconsin's teacher workforce. To accomplish this goal, we are pledging to pay the equivalent of in-state tuition and fees, testing and licensing costs for all of our teacher education students. For students with greater financial need, the Teacher Pledge can also provide funds to cover costs beyond tuition, such as books or living expenses. In return, our students pledge to work at a Wisconsin pre-kindergarten through 12th-grade school for three to four years after graduation. The Teacher Pledge is open to all participating teacher education students — and is the first program of its kind offered by a public university. This will help the School attract and retain diverse cohorts of students who are dedicated to becoming future educators across Wisconsin.

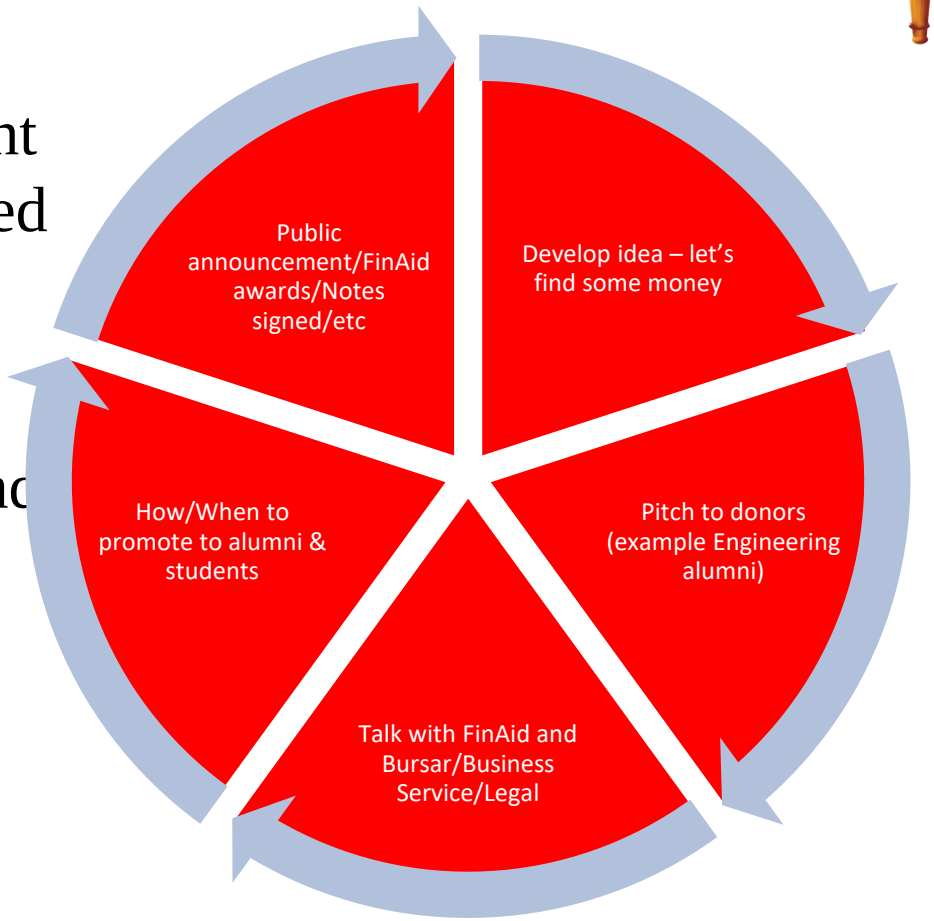
Process Map

- Develop idea….
  - Who has the money to start ? General Revenue, Bonds, Donors, Foundation ?
  - Who is your target audience ? Other stakeholders ? Ex: Under represented STEMM majors ?
  - YOU can do this. Find your campus experts & work with them



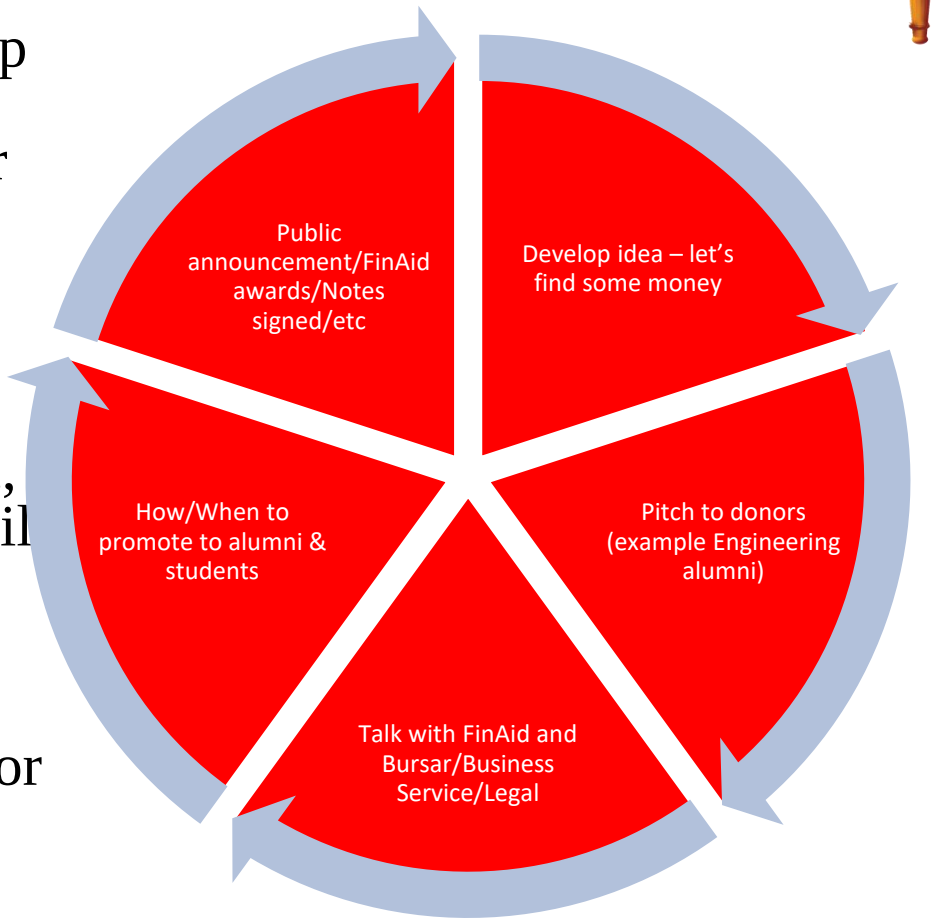
Process Map

- Pitch to donors/funders….
  - Why this is important
  - Who will be impacted
  - Have a professional presentation
  - Have a single point person to manage and to answer questions or concerns
  - Report out to stake holders on a regular basis



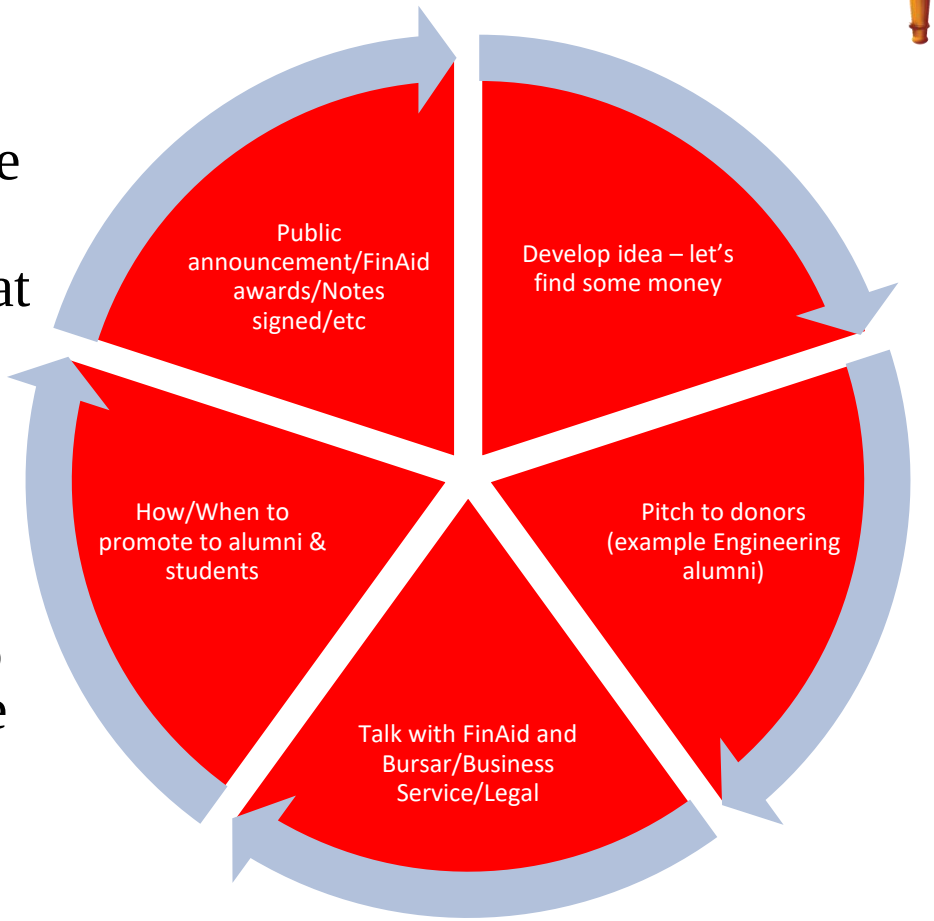
Process Map

- Talk with stakeholders….
  - May take time to set up new notes. UW-Madison can share our notes but have your legal team review
  - Notify your servicer
  - Will you need to re-award? We award Dec, if new program in April then we can create a placeholder but will need to re-award
  - Game plan for delays or snags

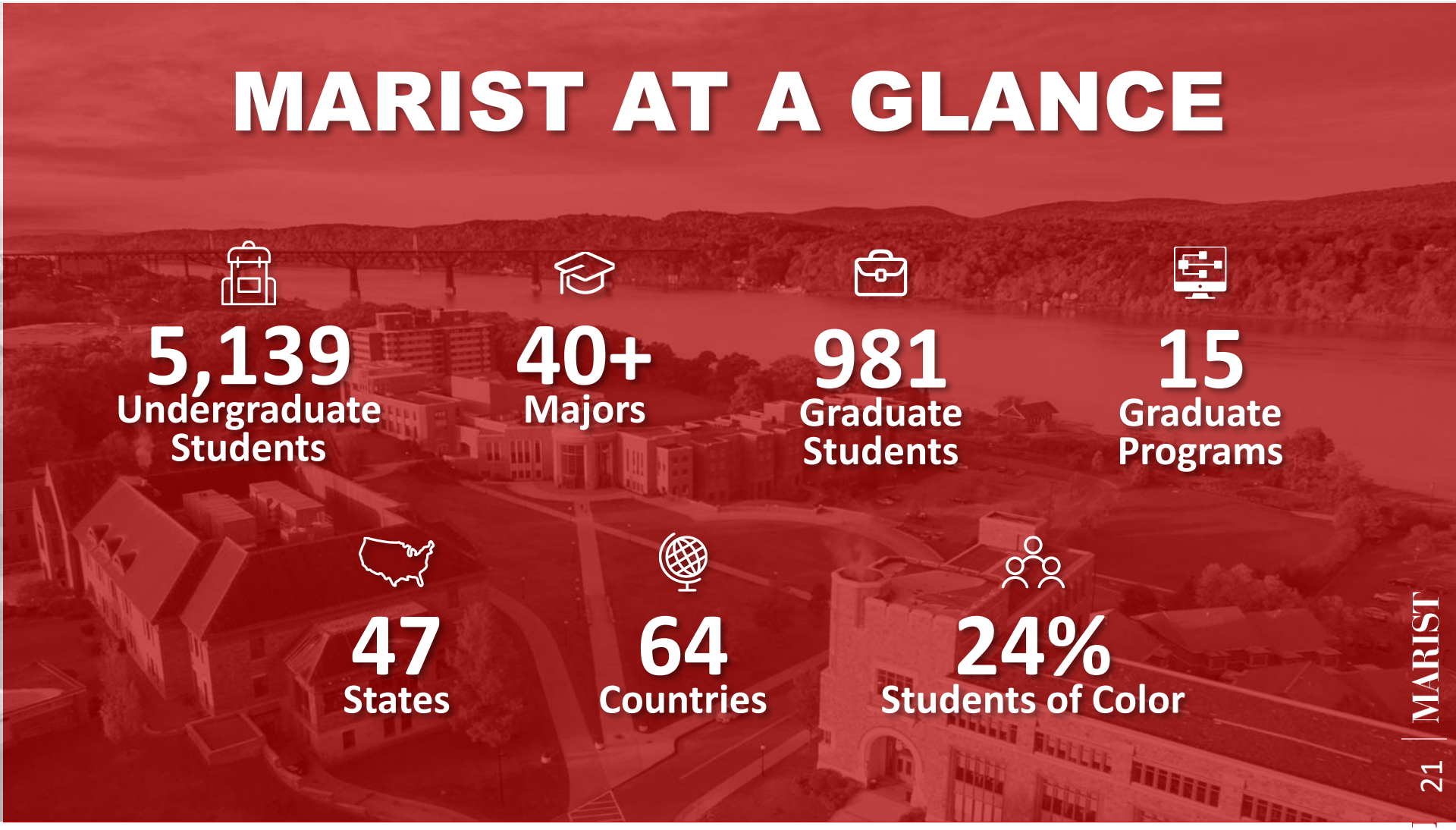


Process Map

- Announcement/Promotion
  - Contact students directly to tell them. Track stories to sell the impact
  - Hand out a big check at the game
  - What to tell those that don't get the new funding ?
  - Have media quotes/stories ready to go. Alumni magazine role ?
  - Send thank you notes



An Investment That
Pays a Lifetime Return
MARIST


MARIST AT A GLANCE
5,139
Undergraduate Students
40+
Majors
981
Graduate Students
15
Graduate Programs
47
States
64
Countries
24%
Students of Color

Financing Options

- Family Resources
  - Payment Plan
  - 529 Plans
- FAFSA
- Educational Loans
  - Federal
  - Private
  - Institutional

What is Financial Aid?

- Financial aid is funding used to assist students and families to pay for postsecondary educational expenses.

Cost of Attendance

- Expected Family Contribution (EFC)

= Financial Need

Five Factors Considered in Calculating the EFC

1. Income
2. Assets
3. Household size
4. Number of students in college
5. Age of older parent

Examples of Assets:

- 529 Savings Plan *
- Educational IRA Accounts
- Prepaid Tuition Plan
- Trusts
- Inheritance
- Stocks
- Cash
- Mutual Funds

* These accounts are reported investments on the FAFSA, including all accounts owned by the student and all accounts owned by the parents for any member of the household.

Types of Financial Aid

Gift Aid:

- **Scholarships**
  - **Merit/Academic**
- **Grants**
  - **Need-based**

Self Help Aid:

- **Need-based**
  - **Federal College Work Study**
- **Non-need based**
  - **Campus Employment**
- **Loans**

Managing Cost

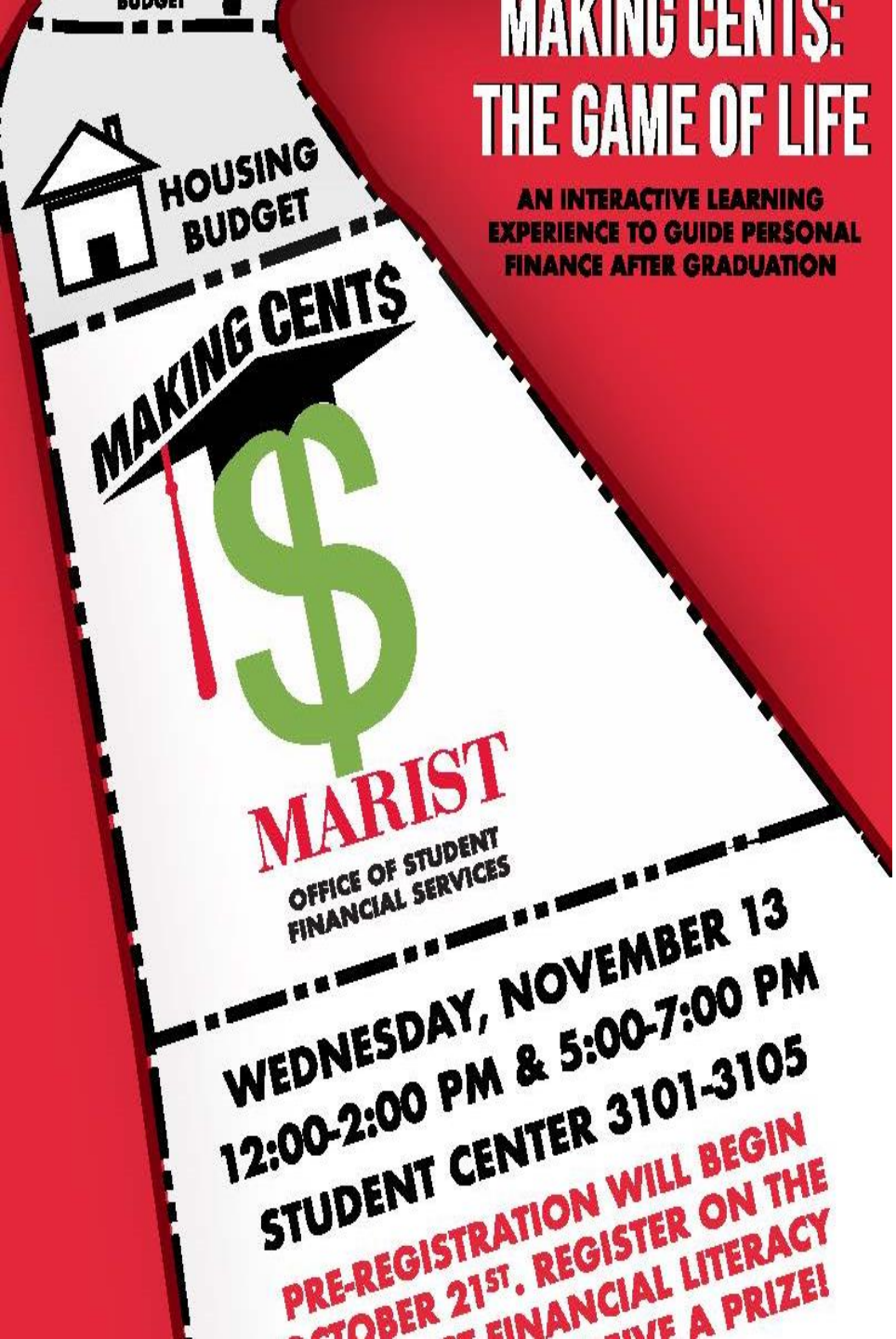
- Borrow Wisely
  - FAFSA filers may borrow a set amount in federal loans
  - Benefits may include flexible repayment and public service loan forgiveness
- Live on Less
  - Compare housing and meal plan options on and off campus
  - Explore Resident Assistant opportunities
- Fast-Track Graduation
  - Transfer AP credits and enroll in intersession courses to graduate early

Institutional Loan Modeling

- Ability to assess the repayment capabilities of both students and co-borrowers
- Develop a scorecard that includes:
  - Withdrawal rates
  - Co-borrower percentages
  - Average indebtedness
  - FICO score ranking

Institutional Loan Cost Analysis

- Origination Fee
- Interest Rates
- Length of Loan
- Amount of Loan
- Monthly Payment
- Interest Capitalization



Student Financial Services

- Financial Aid
- Student Accounts
- Student Employment
- Loan Center
- Financial Literacy

Benefits of One Stop Shop

- Improvement to Customer Service
  - SFS staff are able to assist students and families through the entire financial aid and billing process
  - Unintentional back and forth between offices and duplication of efforts eliminated
- Cost Efficiency
- Cross Training

Joe Weglarz
Executive Director
Student Financial Services
Marist College

Joe.Weglarz@marist.edu

…Next, Laura from Climb Credit

climb

Expanding Access to Career Advancing Education

COHEO Annual Conference - February 2021

Meet Climb

Our mission is to Expand Access to Career-Advancing Education

Laura Fitzpatrick
Director of Marketing

Climb by the numbers:

- Over 25,000 learners served
- Over 250 high-value training partners in over 60 career paths
- Over $250MM in tuition facilitated
- 70.3% median salary increase for graduates of Climb programs

The Current Landscape

Millions of people need affordable, high impact degrees, certificates, and training to re-enter the workforce.

INCREASED RESKILLING DEMAND

30M+

unemployed workers from the service industry are searching for reskilling

INCREASED UPSKILLING DEMAND

59%

Of Americans who intended to pursue additional education after the COVID-19 pandemic preferred non-degree programs

REDUCED UNDERGRAD DEMAND

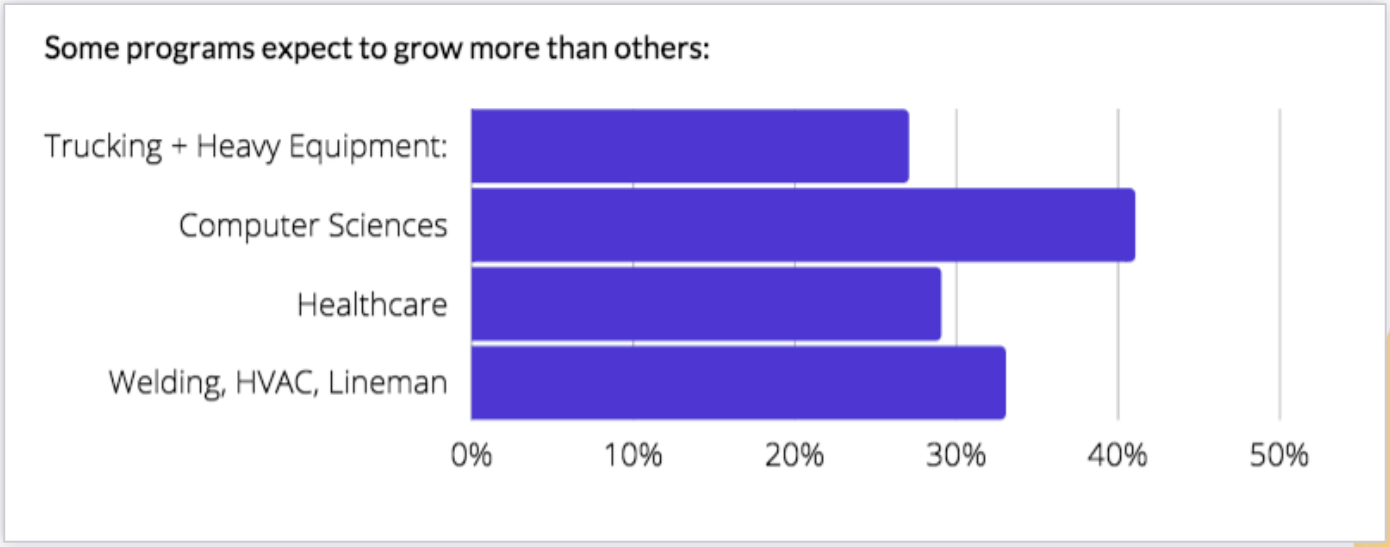
-15%

drop in university enrollment for the next academic year predicted by the American Council on Education

The Solution:
Innovative Programs

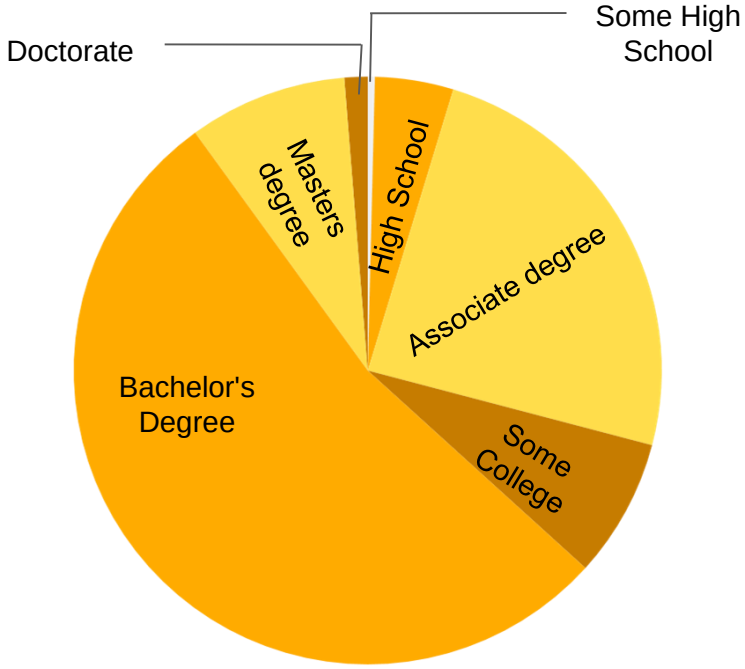
Enrollment at Climb partner programs have grown significantly in 2020

Climb partner programs across various career paths project a +25% increase in enrollment in 2021



Not your average student

Education before climb



Median age

32.9

Median fico

691

Starting median income

$32,500

Current median income

$57,500

Employment status before climb

Students in this market have unique financial needs.

TOP OF FUNNEL

#1

factor in deciding on a program is cost and financing*

MID-FUNNEL

68.5%

of students would either wait to attend or not attend a program without student financing options.*

LATE-FUNNEL

31%

of dropouts are due to affordability of tuition fees**

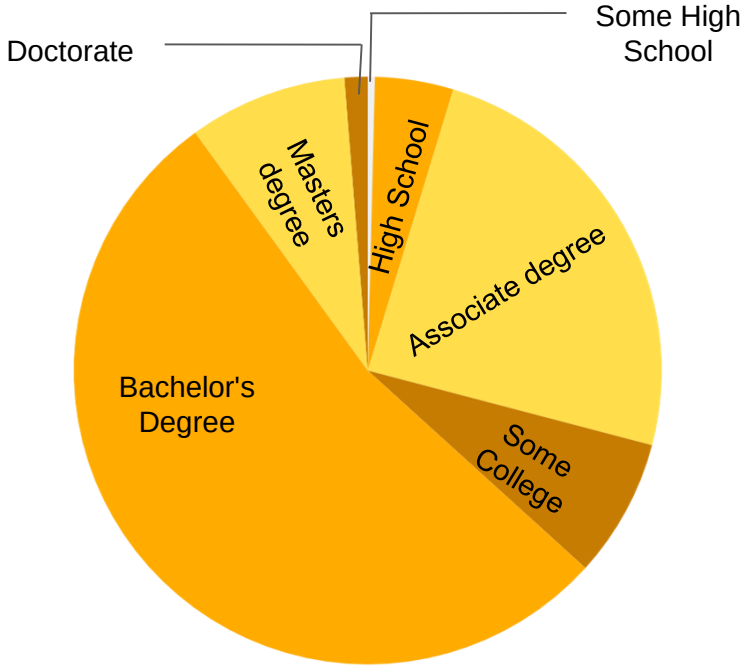
After dropping out, Ivey returned and completed her program with Climb.

"I had to work a weekend job. But, it got to be too much to handle for me both financially and mentally."

—IVEY HOMER,
American College of Education Student

Not your average student

Education before climb



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Climb’s products were built specifically to solve those needs.

FUTURE POTENTIAL

We evaluate learners based on expected salary after the program—which we get from schools in our ROI evaluation.

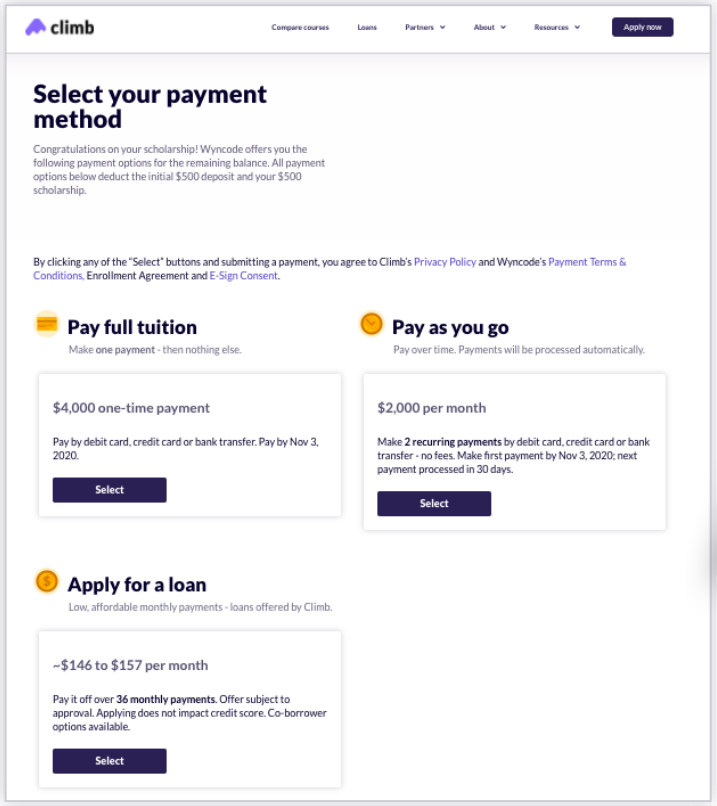
AFFORDABILITY

Monthly payments are set to be affordable based on expected salary.

ALIGNED INCENTIVES

Schools participate in the loans alongside Climb, creating upside for them in their learners’ success.

Our Solution



Climb’s Impact

The education is working

Before Climb

$30K

Pre-program salary

Education: Bachelor's and MBA
Employment: State Agricultural Worker

After Climb

$58.7K

Post-program salary

Education: Crane Operator Certification (6 weeks)
Employment: Junior Crane Operator

"It took me about $15,000 and 6 weeks of my life to get my education. Now I'm making $28.25 an hour plus Overtime and benefits. ..That is a whole lot better than your standard four-year degree."

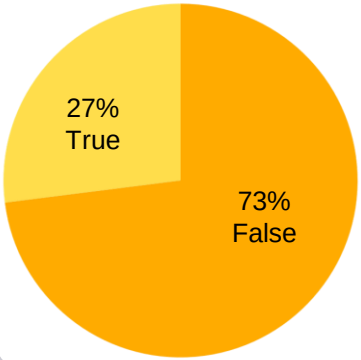
climb

Economic-mobility results

3/5

People who were unemployed before their program, attained **full-time employment** post-program.

Would have attended without Climb?



Our products provide access to those who would otherwise be unable to pursue career advancement and modern skills-training.

17% of our borrowers were unemployed prior to taking their program, and were given access to funding and career-training because of Climb's approach to financial services.

"...without the financing it would have been impossible."

—David Sudia, Galvanize

We are demonstrably helping people grow their careers—and financing is key.

92%

Graduation rate reported from Climb borrowers post-program.

69%

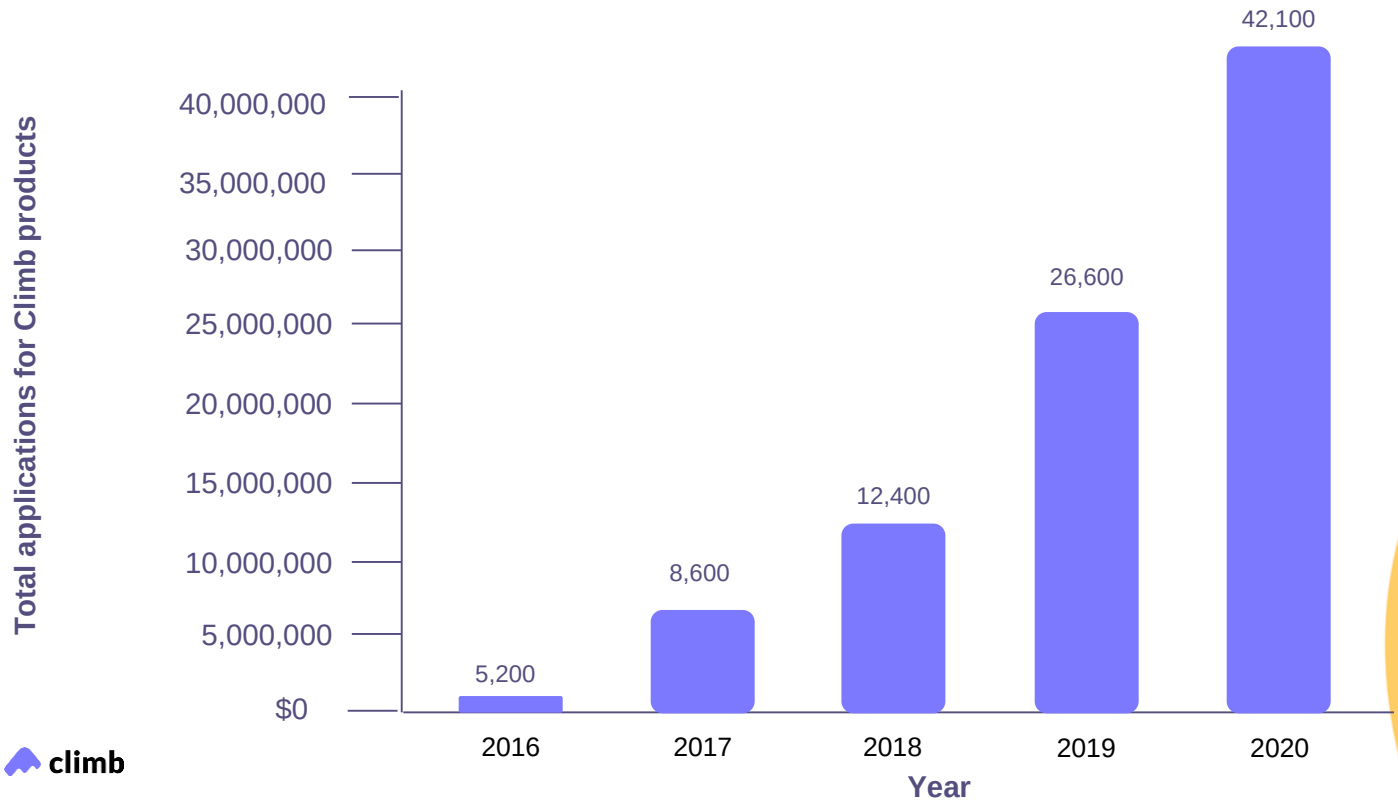
placement rate into jobs where learner made more than pre-program.

70.3%

median salary increase for learners who were employed after using Climb.

“100%, not getting financing would have stopped me.“

Demand has grown significantly over time.



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Ready to pioneer the future of Higher Ed?

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Thank You