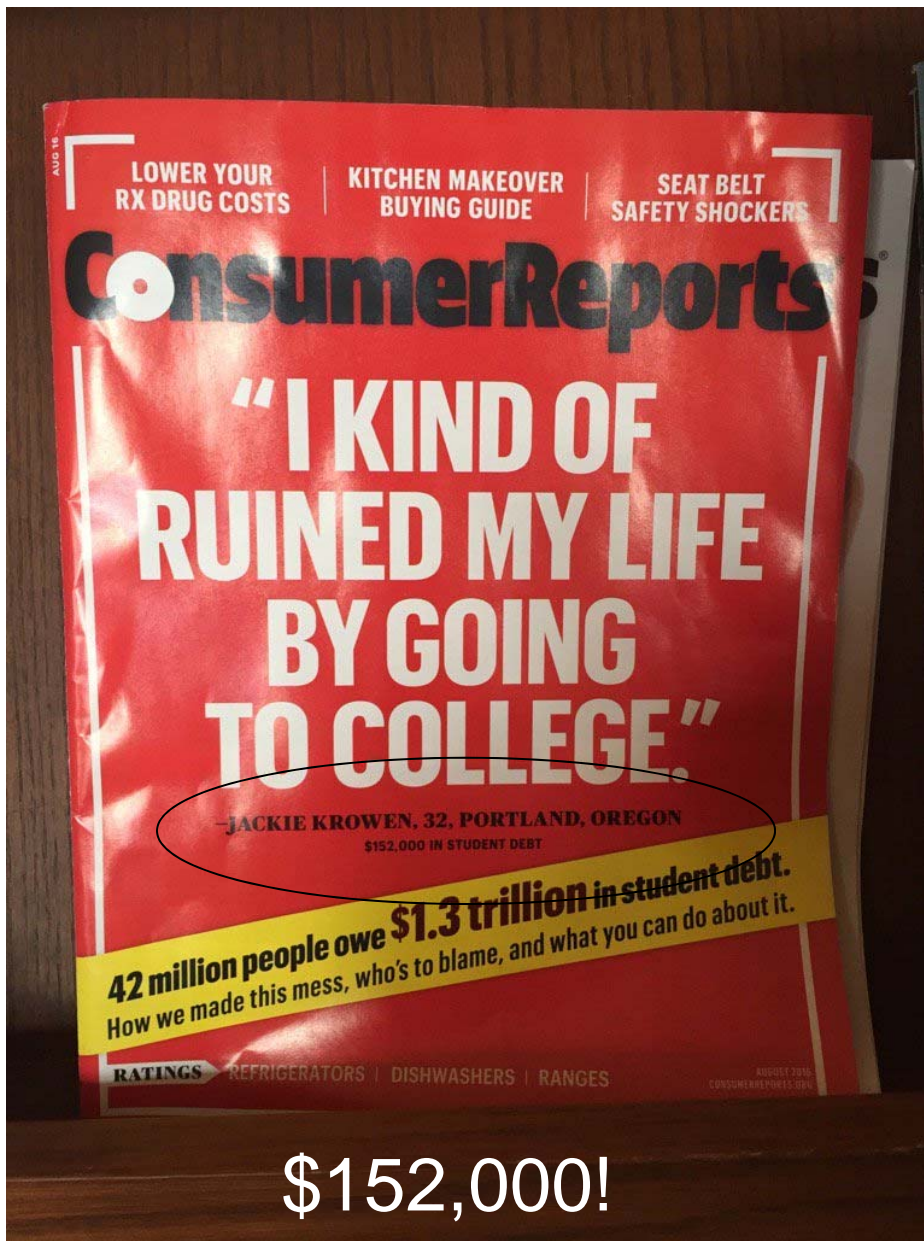


**Clinton's Tuition Free Proposal:
Would it Work and What Would it Mean
in California?**

Donald E. Heller
Provost and Vice President of Academic Affairs

**Center for Studies in Higher Education & Institute for Governmental Studies
University of California Berkeley
October 26, 2016**



\$152,000!

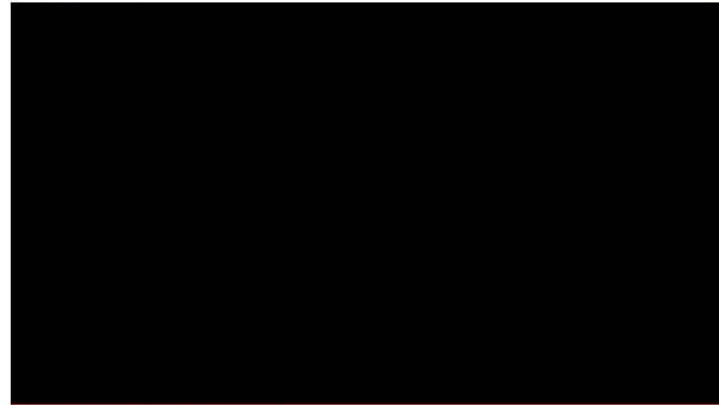


4 steps to paying off \$100,000 in student loans

by Katie Lobosco @KatieLobosco

July 1, 2016: 5:15 AM ET

Recommend 2.6K



5 stunning stats about Uber

Social Surge - What's Trending

Google and AI are in a race to...

Career women Japan's 'salar culture'

Donald Trump 'rigged' electric targets the me...

She's so, so close to being debt free.

Jessica Elberfeld, 29, has paid down more than \$100,000 of her student loans since she graduated college seven years ago and she'll be completely done paying them off by the end of the year.

She borrowed a lot more than most people do for a bachelor's degree. But Elberfeld is also paying it down faster than those with less -- and it's not because she's making a ton of money.

Elberfeld admits she didn't feel the gravity of the situation when she borrowed the money. A lot of college-aged kids don't. Taking out loans seemed like a necessary evil in order to get her degree. She didn't get a lot of scholarship money or qualify for financial aid, so she alone was responsible for paying the full cost of tuition.

>\$100,000!

The average undergraduate borrower leaves school with \$28,940 in student loans. But Elberfeld took out a total of \$68,500. With interest, the total she owed climbed into six-figure territory.



The New York Times Search All NYTimes.com

Business Day

WORLD U.S. N.Y. / REGION BUSINESS TECHNOLOGY SCIENCE HEALTH SPORTS OPINION ARTS STYLE TRAVEL JOBS REAL ESTATE AUTOS


Search Global DealBook Markets Economy Energy Media Personal Tech Small Business Your Money

Degrees of Debt

This series examines the implications of soaring college costs and the indebtedness of students and their families.

PART ONE A Nation of Student Borrowers | PART TWO A New Business Model | PART THREE A Hard Way Out | PART FOUR Long Arm of the Law | PART FIVE Families in Distress | PART SIX A Reckoning for Colleges | PART SEVEN Battling College Costs, a Paycheck at a Time

A Generation Hobbled by the Soaring Cost of College



Photographs by Ruth Fremson/The New York Times and Ty William Wright for The New York Times

Taking on debt has become a central part of the college experience for many students.

By ANDREW MARTIN and ANDREW W. LEHREN
Published: May 12, 2012 | 1441 Comments

ADA, Ohio — Kelsey Griffith graduates on Sunday from Ohio Northern University. To start paying off her \$120,000 in student debt, she is already working two restaurant jobs and will soon give up her apartment here to live with her parents. Her mother, who co-signed on the loans, is taking out a life insurance policy on her daughter.

MOST EMAILED

149 articles viewed recently

RECOMMENDED FOR YOU

deheller
All Recommendations

1. Taunting Donald Trump, Hillary Clinton Pushes Into Red States
2. Video: Trump's Comments Prompt Women to Speak Out
3. Trump as Champion of Working Class? 'Come on,' Obama Says
4. 'This Doesn't Throw Me': Trump Backers Unfazed by Claims of Bad Behavior
5. THE SATURDAY PROFILE
A 'Balloon Warrior' Subverts North Korea, Thousands of Leaflets at a Time
6. THE UPSHOT
Fewer Polls This Year, but They Point in Same Direction: A Clear Clinton Lead
7. House Republicans in Close Races Worry Trump's Problems May Hurt Them
8. POLITICAL MEMO
Issues in Hillary Clinton's Past Leave Her Muted in Furor Over Donald Trump
9. Ivanka Trump Hits Trail, With No Sign of Campaign Turbulence

FACEBOOK

TWITTER

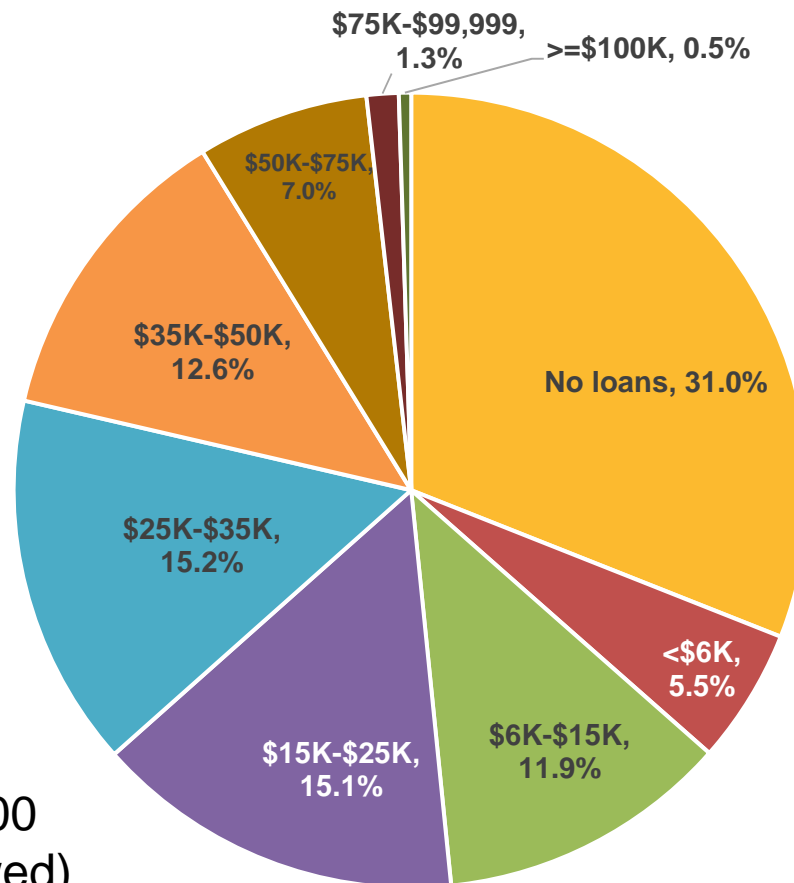
GOOGLE+

SAVE

EMAIL

\$120,000!

Student loan debt of graduating seniors, 2011-12



Median debt: \$26,500
(for those who borrowed)
\$182/month in payments

Borrowing has
decreased since 2011-12

NPSAS:2012

What do students really pay for college?

Data from 2011-12 (tuition increased ~18% from 2011-12 to 2015-16)

Community colleges			
Income	Median tuition	Median net tuition	Net tuition <\$1,000
\$0 - \$85,000	\$2,730	\$0	69%
\$85,000 - \$125,000	\$2,730	\$2,241	25%
>\$125,000	\$2,673	\$2,208	27%
All	\$2,730	\$372	58%

4-year public universities			
Income	Median tuition	Median net tuition	Net tuition <\$3,000
\$0 - \$85,000	\$7,234	\$930	63%
\$85,000 - \$125,000	\$7,902	\$6,566	21%
>\$125,000	\$8,258	\$6,926	19%
All	\$7,452	\$3,846	46%

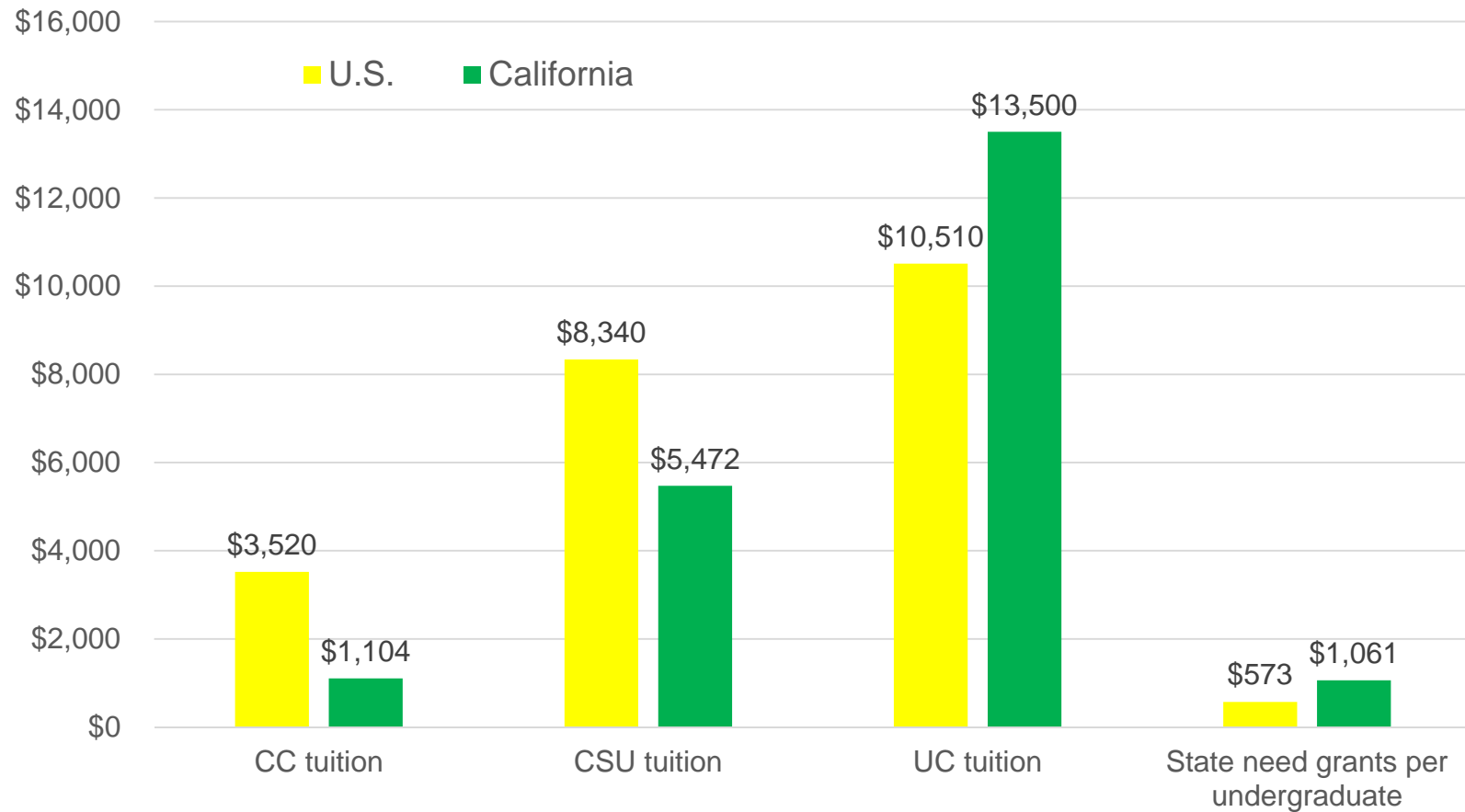
Full-time, dependent, in-state students

NPSAS:2012

The “New College Compact”?

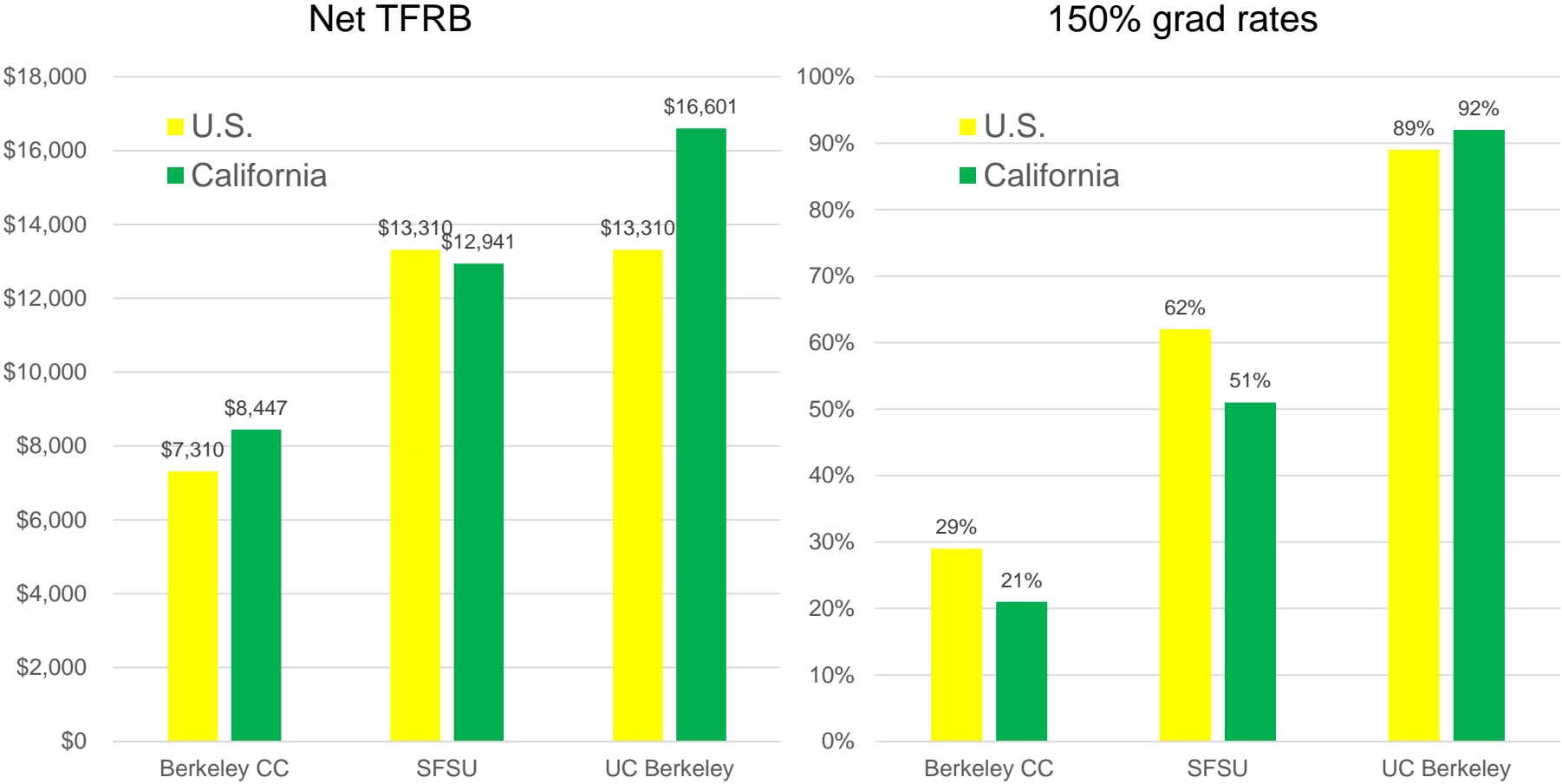
- Potential for huge consumer surplus – little evidence wealthier students are priced out of college or cutting interest rates will impact access or completion
- Estimated cost of **\$50B/year** – what is the opportunity cost?
 - Expand Pell – a successfully targeted program – to provide full COA?
 - ~\$30B would cover *all* unmet need for *all* dependent students in public institutions with family income <\$65,000
 - ~\$35B would cover *all* unmet need for *all* community college students
 - ~\$10B would expand TRIO programs to serve all eligible students
- What’s good?
 - Simplify FAFSA; easier ICR; demo projects for boot camps, etc.; strengthen Gainful Employment

California vs. the nation – tuition and grant aid



College Board, NASSGAP

California vs. the nation – net price and grad rates



College Board, NCES