

Wi\$e Up Teleconference Call  
July 31, 2007  
Paying for Higher Education and Repaying Student Loans  
Opening remarks - Jane Walstedt

Coordinator: Welcome and thank you for standing by. At this time, all participants are in a listen-only mode.

During the question and answer session, please press \*1 on your touchtone phone. Today's conference is being recorded. If you have any objections, you may disconnect at this time. I would now like to turn the meeting over to Ms. Jane Walstedt. Ma'am, you may begin.

Jane Walstedt: Thank you, Barb.

And welcome to this fourth in a series of Wi\$e Up teleconference calls this year and thanks to each of you who are participating today.

My name is Jane Walstedt, and I'm the Co-chair of the Women's Bureau team that developed the Wi\$e Up program.

As most of you know, Wi\$e Up is a financial education demonstration project being offered online with an e-mentoring component and in a classroom setting.

Eight of the ten Women's Bureau regions are participating. These teleconference calls are a component of the project.

The theme of today's call -- which will last one hour -- is paying for higher education and repaying student loans.

We have three excellent speakers who will be introduced shortly.

As a backdrop to their presentations, let me just share a few statistics with you. Eighty percent of adults say a college education is more important today than it was 10 years ago, but 66% say that affording college is more difficult now and 70% expect it to be even harder in the future, according to the findings of a public opinion survey released by the Project on Student Debt in May 2006.

The survey also found that three in five adults and two in three parents of current college students say students today graduate with too much debt, and two-thirds of adults say it is hard to repay student loans.

According to the College Board, the average total tuition, fee, room and board charges for in-state students at four-year public institutions are \$12,796 in 2006 - 2007.

During the same time period, the average total tuition, fee, room and board charges at private four-year colleges and universities is \$30,367.

Almost two-thirds of full-time students receive grant aid that lowers the price they actually pay to attend college, and millions of students also benefit from federal tax credits and deductions for college tuition. But students still incur debt.

According to calculations by the Project on Student Debt, in 2004, nearly two-thirds of students at four-year colleges and universities had student loan debt by the time they graduated compared with less than half in 1993.

In contrast, 40 years ago, my parents paid for my four-year college education, and I graduated without any student debt.

Students were also graduating with more debt. Between 1993 and 2004, debt levels for graduating seniors with student loans more than doubled from \$9,250 to \$19,200 [calculations by the Project on Student Debt].

One-fourth of graduating borrowers in 2004 carried more than \$25,000 in student loan debt.

I first saw this statistic in a recent article on persistent stress caused by financial worries in the Health section of *The Washington Post*. The subheading of the article was “‘Persistent Stress Caused by Financial Worries Can Lead to Physical and Mental Problems Such as Hypertension and Eating Disorders,’ Say Experts.”

Private loans are a growing percentage of education loans. According to the Project on Student Debt, they now comprise 20% of total education loan dollars up from five percent ten years ago.

According to another article in *The Washington Post*, “With federal aid failing to keep up with the skyrocketing cost of college tuition, the volume of private student loans is now expected to surpass federal loans by 2015” [“Student Loan Nonprofit a Boon for CEO,” *The Washington Post*, July 16, 2007].

Another striking fact is that of the 56% of dependent undergraduates who owned at least one credit card in 2003-2004, 41% carried a balance from month to month, with a median debt of \$1000. That comes from *Quick Facts on Student Debt* from the Project on Student Debt.

Now, let me turn to our speakers.

The format of our call today is that we'll first hear from the three speakers. Then, when the speakers are finished, the operator will come on and give us

instructions about how to ask a question during the question and answer session at the end of the presentation.