Thank you, Dr. Townsley, and thank you, Ms. Smith, for the opportunity to speak regarding this important topic of affordability in higher education. I am honored to participate today both as president of Huntington University and as chair of the NAICU Student Aid Committee.

The need for this discussion is urgent. Many fear that the dream of higher education is slipping out of reach. According to a survey by Public Agenda, paying for college is one of the top concerns of American families. Among Americans who say they are struggling financially, 77% say they are “very worried” about being able to afford their children's college education, while only 32% are worried about losing their jobs. College affordability is indeed a top priority for our nation.

So it is good to focus on what many independent colleges and universities are doing to respond to the President’s call and to keep higher education within the reach of American students and families.

This morning, I want to share with you the affordability initiatives that have been undertaken at my own campus. However, I do not believe Huntington University is alone in taking the initiative to hold down costs. Many independent colleges and universities are moving forward with strategic efforts to reduce costs and keep higher education affordable.

In fact, after adjusting for inflation, the average net tuition and fees at private, nonprofit colleges and universities actually dropped 4.1% over the past five years, according to the College Board.
Colleges and universities must work hard to achieve results like these. It takes creativity, innovation, investment, collaboration with strategic partners, and above all, the will to keep costs down.

At Huntington University, affordability has long been a top priority. During the 1990’s, we were one of the few US colleges and universities with a program to guarantee level tuition for a student’s entire undergraduate career. Most recently we have done the following:

- We have reduced our base costs by cutting our university budget by 4.7%.
- This cost-cutting enabled our Board of Trustees to approve a very modest 2.5% increase in undergraduate tuition next year – far below the national average for public or private institutions.
- Over the past five years, we have increased our tuition discount rate from 31% to 41%, thus providing additional student scholarship and grants.
- Again this year, we are offering students a 50 percent discount on summer courses, both on-campus and online.
- And we are currently exploring several entrepreneurial ideas that could provide alternative revenue streams. If successful, these ventures would make the University less tuition-dependent.

These are some of the ways my campus is working to keep college affordable.

Huntington University is not a wealthy institution; our endowment is far less than our annual budget. We do not serve wealthy students; about 40% of our students are Pell eligible and many are first-generation students. That makes our institution very price sensitive and very concerned about college affordability. Like many of our peers in the independent sector, we have taken action to keep our degree programs within reach of the students and families we serve.

**Loan Repayment Program (LRAP)**

Today, I want to share details about a new and distinctive effort to promote affordability: Huntington University’s Loan Repayment Assistance Program.
We recognize that college debt is a major concern. The number of students that borrow is growing, and the amount they borrow is growing, too. In today’s uncertain economy, college debt is a difficult burden to shoulder.

We want to provide real help – a safety net for our graduates.

And as a Christ-centered institution, we especially want to help those graduates who choose to pursue service-oriented careers, despite the lower salary.

So we established a program which help students pay all or part of their college loan payments if, after graduation, their income falls below certain thresholds.

To the best of my knowledge, Huntington is the first university in the country to offer the Loan Repayment Assistance Program to all undergraduates.

**Here is how the program works:**

- All full-time students who take out loans are enrolled in the program. Loan repayment assistance is available for Federal student loans, private alternative loans, and Plus loans for parents.

- The University pays a fee to an outside association for each student enrolled in the program. Think of it as an insurance premium.

- Students must graduate from Huntington with a bachelor’s degree within six years.

- If they do, and if they are employed at least 30 hours a week following graduation, the Loan Repayment Program provides a financial safety net.
  - If the graduate’s annual salary is below $20,000, the program reimburses the graduate for their college loan payments.
  - As the graduate’s income grows from $20,000 to $36,000, the program will reimburse the graduate for a portion of their college loan payments.
  - Once the graduate’s income reaches $36,000, the benefit ends.

We provide Loan Repayment Assistance not to encourage debt, but rather to relieve the anxiety students and parents may feel about college affordability.
Reaction of students and parents

Since implementing the Loan Repayment Program, students and parents alike have expressed great appreciation for the peace of mind and confidence it provides. Many have called it an incredible benefit that “seems too good to be true.”

I could share with you many statements of thanks from parents and students but let me just read one from a film production student that is reflective of many.

“The Loan Repayment Program has made me more confident about continuing my education; now I don't have to worry… Financial stability is very important to me, and the LRAP is like an ‘insurance policy’ against being unable to pay off my bills in case I don't get a good job in the film industry. I feel safer and more confident.”

Results of the program:

We began Loan Repayment Assistance on a limited basis several years ago, and we immediately saw impressive results with student persistence.

- In the fall of 2009, forty-six first-time, full-time freshmen received the LRAP agreement.
  - 88% of them returned the following fall.
  - This was an 8% improvement in fall-to-fall retention.

- Also that year, 15 sophomores or juniors received the LRAP agreement. Each of these had said they were leaving Huntington University at the end of the fall semester.
  - After receiving the Loan Repayment Assistance agreement, 14 of them (93%) returned the following fall semester.
  - All of those 14 students have now graduated or will graduate this spring.

Encouraged by these early results, in 2010 and again in 2011 we made the Loan Repayment Program available to all incoming students. While this requires a significant investment on the part of the University, we have seen that the strategy significantly increases persistence and graduation rates. Loan Repayment Assistance is a win-win for both the University and for our graduates.
Complete details about the program, including a sample agreement letter, are available on our web site at www.huntington.edu/loans.

Concluding remarks

Loan Repayment Assistance is one way Huntington University is helping students and their families manage the cost of higher education. This program, coupled with price moderation, increased discounting, and cost-cutting, is helping our students follow their dreams and achieve their academic goals.

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