

HIGHER ED MATTERS

Utah System of Higher Education, November 2012

The Cost of College & Student Debt

Utah 3rd Most Affordable

Recently there has been a lot of attention given nationally to the cost of college tuition and student debt burden.

Fortunately, Utah is still a place where the higher education aspirations of students can be realized either debt free or with more manageable debt than what is typically incurred by students in other states.

- Utah is the 3rd most affordable state in the nation in which to receive a college education.
- Utah student loan debt is the 4th lowest in the nation, with under half (45%) leaving school with debt.
- The average debt upon graduation in Utah is \$17,227, compared with \$26,600 nationally.
- The annual tuition & fees at Utah's public colleges and universities are about 1/3 less than the national average.
- Utah residents pay an average of \$10,181 at 4-year institutions and \$5,293 at 2-year institutions (compared with national averages of \$15,918 and \$8,085, respectively.)

Utah's public colleges and universities are ranked as the most cost-efficient in the U.S. In 2012, each Utah public higher education student is being educated for \$600 less than four years ago, as a result of state budget challenges and increased enrollments. These efficiencies have been achieved through continuous innovations, including the expansion of online learning and better use of technology, across all eight USHE institutions.

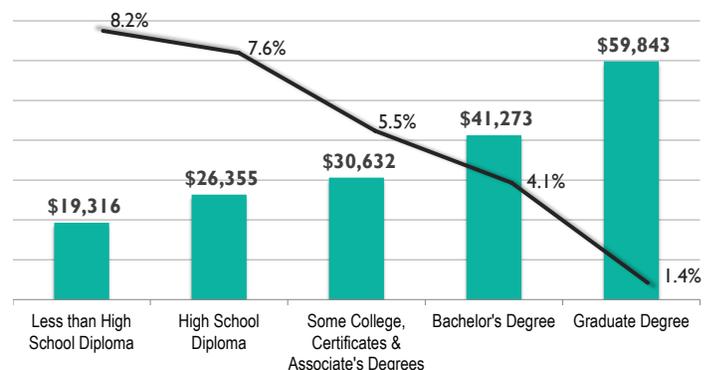
Of course \$6,000 to \$10,000 a year is still a significant cost for most Utah families. Fortunately, many stu-

students at Utah's public colleges and universities received an average of \$3,600 in Pell Grants.

A Degree or Certificate is a Good Investment

Most Utahns intuitively understand the long-term value received from their degree or certificate, and the data backs them up. According to the Utah Department of Workforce Services, *all* of the 20 highest-paying occupations in Utah require post-secondary education. It is estimated that by 2018, 66% of the jobs in our state will require it. This shift in workforce needs is one of the key drivers in our goal that 66% of Utah adults hold a higher education credential by 2020.

According to the U.S. Census, annual median income for a graduate with a bachelor's degree is \$14,900 more than a high school graduate. College graduates are also much less likely to be unemployed. The Utah unemployment rate for someone with a high school diploma in 2011 was 14.1% compared to 4.3% for Utahns with a bachelor's degree or higher.



Median Wages by Degree Earned

■ Median Wage — Unemployment Rate

The Benefits of a College Education

The benefits of a college education are more than just monetary. Numerous studies show that college graduates are, on the whole, healthier, have healthier kids, are more civically engaged, volunteer more, and are less likely to need state assistance or be incarcerated.

To continue providing accessible, quality higher educational opportunities for Utah students, Utah's public colleges and universities are strongly committed to continuing to lead the nation in terms of educational innovation and efficiency. However, as we face significant state demographic growth and an increasingly competitive world, Utah requires increased public and legislative support to provide what is needed.



Utah Educational Savings Plan Receives Gold Rating from Morningstar, Inc.

Rather than relying on the hope of financial aid, scholarships or lower tuition, a growing number of Utahns are taking action themselves by saving for college. The Utah Educational Savings Plan, a tax deferred 529 plan, is an excellent way to save. Saving is the best way to assure college is affordable for our children and grandchildren.

For the seventh time, UESP has been rated as a "Gold" 529 plan by Morningstar, Inc. The rating is the highest given by Morningstar, a leading provider of investment research. Only four 529 plans out of the 64 analyzed achieved this honor. "529 plans receiving a Gold rating incorporate the industry's best practices and contain investment choices that are highly regarded by Morningstar analysts," says Morningstar. "These plans are our highest-conviction recommendations and stand out as best of breed for their ability to help college savers meet their goals."

Morningstar analysts evaluate five factors to determine a plan's rating: strategy and investment process, risk-adjusted performance, investment option manager, stewardship practices of the administration and parent firm, and investment option value proposition compared to its peers. Analysts then assign forward-looking ratings of Gold, Silver, Bronze, Neutral, and Negative to each plan. UESP's groundbreaking customizable age-based and static investment options were also cited by Morningstar as factors in UESP's Gold rating. "Simplicity, combined with ingenuity, makes the Utah Educational Savings Plan among the best choices for college savers," says Morningstar.

"The accolades from Morningstar reinforce that UESP is an excellent choice for individuals saving for future higher education expenses," says Lynne Ward, Executive Director of the Utah Educational Savings Plan. "We are committed to being a responsible partner to our account owners and will continue our efforts to provide a Gold-rated 529 plan for college savers." For more information about the Utah Educational Savings plan, visit uesp.org or call 800.418.2551.

"The Utah plan, to its credit, has been among the leaders at bringing down costs for college savers."

--David Falk, Morningstar Analyst



Utah Educational Savings Plan®