

Debt-Free Education

By Judith Earley

Undeniably, the price of a public and private college education at both two-year and four-year institutions has increased more rapidly than inflation and the median family income.

Add to that mounting reductions in federal student aid funding, and the average American family is stretched beyond its limit in trying to pay for a college education.

Student loans constitute an increasingly larger portion of student-aid packages. By some estimates, 60 percent of all tuition and fees are paid with borrowed money. Across the country, the average student on financial aid now graduates with \$27,600 of debt, almost three-and-a-half times what it was a decade ago.

But perhaps there is a light at the end of the ever-darkening tunnel of student debt. Some colleges and universities are working to reverse the trend of financing a college education and help their students owe less when they graduate.

Changes at Princeton University, for instance, have prompted other private universities to follow suit and make a highly selective—and very expensive—college education more affordable. The Ivy League university has eliminated the loan requirement for students on financial aid and replaced it with supplementary scholarship assistance. Under this policy change, no undergraduate student will be required by the university to take out a loan to finance his or her education.

Student-aid packages will instead consist solely of a combination of grants and contributions from students' school year and summer jobs. Of course, students still have the option of borrowing additional monies to finance needs that are not part of the standard student budget or to augment a shortfall in earnings. Improvements made to Princeton's financial aid program over the last several years have contributed to the enrollment of a higher percentage of students on financial aid, particularly those from low-income backgrounds.

The University of Maryland has initiated a "Pathways" to debt-free graduation program, which provides students with three separate options. First, there is a work/grant program for those students coming from the lowest income bracket. Participants work roughly 10 hours per week at on-campus jobs and receive additional grants to pay the remainder of their tuition. The second option makes funding available to students who have been denied federal aid because they are employed while attending school. The final option offers financial assistance to seniors who have already accumulated more than \$15,900 in federal student loans.

In North Carolina, UNC-Chapel Hill instituted a program last fall designed to help academically gifted students from low-income families attend the school. The Carolina Covenant program covers the cost of four years at the university for students who otherwise could not afford it, and these students graduate debt-free. The program requires students to work on campus for 10 or 15 hours a week, usually in a federal work-study job. In return, the university will meet the rest of their education costs.

The Carolina Covenant accepts both in-state and out-of-state students; most in-state students enrolled come from Mecklenburg County.

In order to qualify, a family's income must be at or below 150 percent of the federal poverty level. That is approximately \$28,000 for a family of four, or \$18,000 for a single parent with one child. The program is financed through a combination of state and federal funds, scholarships, and work-study funds.

Thanks to a new program at the College of William and Mary, Virginia students from low- and middle-income families will be able to earn bachelor's degrees debt-free. Named Gateway William and Mary, the program combines institutional, state, and federal grants for tuition, fees, and room and board for in-state undergraduate students. Qualifying families must earn \$40,000 or less per year. Program participants will not be asked to take out loans to complete their baccalaureate degrees. The college hopes that the program will help double the enrollment of undergraduate students from economically disadvantaged homes; approximately 300 such students are currently enrolled.

The ACCEND (ACCelerated ENgineering Degree) program at the University of Cincinnati, is an alternative degree option within the School of Engineering. The cooperative education portion allows students to alternate quarters of on-campus classroom and lab work with quarters of full-time, paid employment. Undergraduates can earn as much as \$37,000 during their co-op employment, money they use to graduate from the university debt-free.

Down the road at Wilmington College, some students have an opportunity to graduate with little or no debt because of a student work program administered in conjunction with ABX Air. Students who meet the minimum requirements of the program during their four years in school can earn more than \$22,000.

ABX Air is a cargo airline with a fleet of 115 in-service aircraft operating out of Wilmington and 18 hubs throughout the United States. It is the largest employer in a several-county-wide area in southwestern Ohio.