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## Responsible Borrower Program:

# A proactive approach to student debt and delinquency

The impact of student debt is being felt by students and schools alike. And the stakes have never been higher as new legislation changing the criteria for federal funding has increased competition between colleges and universities. The effects of debt stretch across campus—from Admissions to Alumni Relations, prospective students to recent graduates—creating long-term financial implications for everyone.

### HOW DEBT AFFECTS STUDENTS

College remains a strong driver of future success: life-time earnings are 84% higher with a bachelor's than high school degree.<sup>1</sup> And yet:

- Rising tuition costs and increasing debt burdens are fueling student worry
- Students are making different choices—leaving college before degree completion or not enrolling at all
- Without a college degree, many students find their long-term financial success at risk

### HOW DEBT AFFECTS SCHOOLS

Worries over student debt and delinquency lead to a declining perception of colleges in the community. In fact, national trends show:

- 2.3% fewer students enrolled on campuses in Spring 2013 than Spring 2012<sup>2</sup>
- 29% of college students with loans leaving school before degree completion<sup>3</sup>
- Only 3% of alumni give back when their debt is \$30K-\$40K—the average debt for the Class of 2013<sup>4</sup>

## HOW TO TAKE ACTION

### Changing the Student Debt Conversation

Changing the debt conversation starts with an effective Responsible Borrower Program that empowers students to make smarter borrowing decisions at each stage of the student life cycle, so they can take control of their finances, remain in school, and work towards a bright future after graduation.

Taking a comprehensive, proactive approach to student debt and delinquency directly benefits university departments campus-wide—while sending an important signal to students and key stakeholders that meaningful steps are being taken to address the issue.

### SALT: A Responsible Borrower Program

After 50 years of working with over a million student borrowers, the nonprofit organization American Student Assistance® (ASA) created SALT™, a comprehensive approach to responsible borrowing designed to empower college students and alumni to confidently approach, manage, and pay back their student loans while gaining financial skills for life. As a leader in responsible borrowing, SALT incorporates the best practices ASA® developed to keep more than 93% of the loans it manages in good standing—and puts them to work for students.

1. Carnevale, Anthony P., Stephen Rose, and Ban Cheah. 2011. "The College Payoff: Education, Occupations and Lifetime Earnings." Georgetown University Center on Education and the Workforce, Washington, DC. <http://cew.georgetown.edu/collegepayoff/>

2. Lederman, Doug. "Enrollment Decline Picks Up Speed." *Inside Higher Ed*. Web. May 2013.

3. Nguyen, Mary. "Degreeless in Debt: What Happens to Borrowers Who Drop Out." Rep. Education Sector, Feb. 2012. Web.

4. "Class of 2013 grads average \$35,200 in total debt." CNNMoney. May 17, 2013.

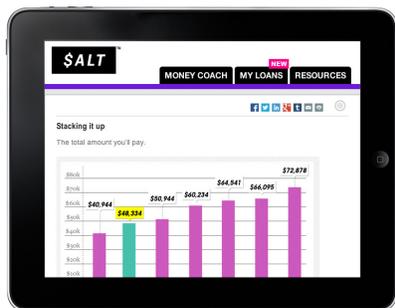
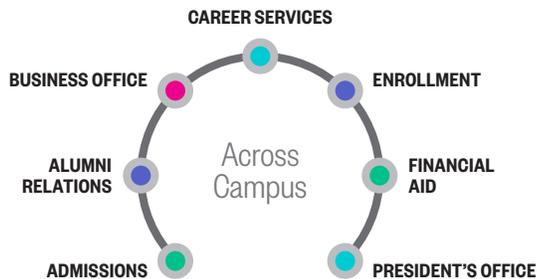
# From indebted to “undeighted”:

## Building a comprehensive Responsible Borrower Program

SALT’s Responsible Borrower Program provides the tools and resources students need when they need them. By teaching students to borrow smart, borrow less, and repay well, schools can help them effectively move from being indebted to “undeighted.” In turn, universities can fulfill their promise to educate students while also protecting the school’s long-term financial success. Designed to work across campus departments, SALT is also a collaborative partner that will work to improve your institution’s outcomes year after year.

### Before, During, and After College

- Engage with matriculating students when borrowing decisions are being made so they understand financial aid options, learn about scholarship opportunities, and get started on the path for success
- Provide existing students with expert counseling, internship finders, debt management tools, and financial education to help them stay in school and complete their degrees
- Support graduating students with real-world money skills, job search services, and guidance around repayment so they stay on track and become financially healthy alumni



### Services Built Around the Student

- Well-timed, neutral financial education resources, advice, and self-paced courses designed from the student’s point of view
- Live one-on-one counseling by trained advisors who can answer the students’ questions objectively and advocate on their behalf
- Easy-to-use tools that help students and alumni monitor and manage their loans and payments online

### Improving Outcomes Year After Year

- Multi-touch, multi-year engagement plan to increase student tenure while focusing on campus-wide and department-specific goals
- Collaborative, end-to-end client support that is data-driven and value-driven by outcomes
- Comprehensive metrics, benchmarking, and reporting so schools can chart student engagement and results

**More than 240**  
participating schools  
**Over 300,000**  
active members

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