

North Carolina State Education Assistance Authority

Annual Report 2011-12



NCSEAA 
*North Carolina State Education
Assistance Authority*

This annual report is designed as a Web document and can be accessed at www.NCSEAA.edu.

October 1, 2012

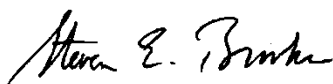
To the Citizens of North Carolina:

The Board of Directors and staff of the State Education Assistance Authority are privileged to have participated in the accomplishments of this, our 46th year of investment in the future of North Carolina, and to publish this annual report as required under G.S. § 116-209.14. The Authority is a political subdivision of the State, governed by a nine-member Board of Directors. The University of North Carolina provides the secretariat for the Authority, which has some 67 receipts-supported employees.

In a number of key areas, our efforts help North Carolina pay for college. The Authority:

- Administers inter-institutional programs of student financial aid, created under State and federal law, funded with governmental as well as private resources, and designed to help North Carolinians meet the cost of higher education at public four-year, public two-year, and independent colleges and universities in North Carolina
- Provides significant online (www.cfnc.org and www.ncseaa.edu) and telephone resources (866-866-CFNC), as well as publishes and distributes annual printed publications that assist families, financial aid administrators, and school counselors as they plan, apply, and pay for higher education
- Obtains and insures capital for educational loans made available under North Carolina's Federal Family Education Loan Program (NCFFELP)
- Maintains sensitive and affirmative default prevention and aversion activities and operates an aggressive student loan collection system for recovery of defaulted student loan obligations
- Promotes access to financial aid opportunities through outreach activities with school counselors and financial aid administrators, so they can assist students and families in planning for higher education
- Administers North Carolina's National College Savings Program, a "529" plan providing flexible, tax-advantaged savings and investment options for parents, grandparents, and others
- Assists the Governor, the General Assembly, and other elected officials, the University of North Carolina General Administration, the North Carolina Community College System, and North Carolina Independent Colleges and Universities on various matters pertaining to financial aid and paying for college costs
- Contracts with College Foundation, Incorporated (CFI) of Raleigh for certain operational functions. CFI is a nonprofit organization, chartered in 1955 under Chapter 55A of the General Statutes to assist North Carolinians in financing the cost of higher education. As an agent and independent sole source contractor for the Authority since 1966, CFI serves as the central loan servicer under the NCFFELP. CFI also administers need-based student grant programs and North Carolina's National College Savings Program on behalf of the Authority and services student loans on behalf of the Authority and other investors. The Authority reimburses CFI for its pro-rata share of operating and reasonable capital costs incurred in the administration of the programs for which it contracts.

Through its numerous aid programs, outreach and educational efforts, the Authority is committed to helping North Carolina achieve the goal of universal access to higher education, regardless of financial means.



Steven E. Brooks
Executive Director



Mission:

We help North Carolina pay for college.

We are the State agency that promotes access to higher education by administering financial aid and savings programs, informing students and families about paying for college, teaching educators about financial aid administration, and advocating for resources to support students.

Vision:

Working in effective collaboration with our partners, we are the recognized leader in service to North Carolina students and families, schools, colleges, and policy makers for innovative, high quality financial aid programs and activities.

Values:

Respect

We respect the contributions of our colleagues and value their commitment to helping the agency serve the people of North Carolina. We treat our customers, our partners, and each other with compassion, friendliness, courtesy, and honesty.

Professionalism

We are dedicated to achieving the highest standards of integrity and ethical behavior, technical knowledge and informed judgment.

Responsibility

We expect efficiency, effectiveness, and accountability in service to our customers and to each other.

Innovation

We strive to be forward-thinking and flexible in identifying business challenges and seeking creative solutions.

Teamwork

We are committed to a collaborative cohesive work environment, understanding that our success depends on open communication and working together.

2011-2012 Highlights

During the period from July 1 through June 30, the Authority:

- Administered 178,176 student grant, scholarship and loan awards, totaling \$300,213,587, as detailed in tables on pages 11 -12 of this report.
- Granted loan forgiveness to 390 teachers under the Federal Teachers Loan Forgiveness Program, totaling \$2.9 million. With this amount, the Authority has in total granted close to \$10 million dollars to over 1,200 teachers through this program since its inception in 2002.
- Granted an annual NCFFELP payment holiday to 1,424 North Carolina teachers, totaling \$237,387.
- Recorded default rates for the most recent federal fiscal years at 2.8% (FFY 10 Cohort Rate) and 0.88% (FFY 11 Trigger Rate) for the NCFFELP, ranking among the four lowest default rates of all guaranty agencies in the nation for the ninth consecutive year.
- Processed 4,473 NCFFELP borrower default and other guaranty claims, totaling \$59,244,011.
- Recovered \$33.2 million from defaulted NCFFELP borrowers, including funds from litigation and wage garnishment activities, seizure of federal and State tax refunds, collection agencies, and loan rehabilitation and loan consolidation programs. The Authority's recovery rate for the federal fiscal year 2011 was 24%.
- Cancelled \$13 million of principal in State forgivable loan program indebtedness for borrowers repaying their debts through vocational service under program terms, and collected \$5.3 million in principal and interest payments from borrowers who did not fulfill their vocational service obligations. Historical data on loans closed through repayment in these programs indicates that nearly 85% of borrowers do repay their debts in service to the State.
- Originated 279 loans totaling \$592,150 for teachers pursuing National Board Certification.
- Conducted 22 training sessions, attended by 1,021 school counselors and financial aid administrators, on availability and administration of State financial aid programs for students.
- Organized "FAFSA Day" activities on 63 campuses and in 243 State Employees' Credit Union locations across North Carolina with the assistance of the Credit Union and the Cooperative Extension Service, to help high school students and their families complete applications for federal and State financial aid. 4,711 students and their families participated in the event in February 2012, thanks to the efforts of 1,720 volunteers who provided assistance across the state.
- Implemented and launched the new North Carolina Forgivable Education Loan for Service for students enrolling for terms beginning after July 1, 2012.
- Implemented and launched the new North Carolina Need Based Scholarship to assist eligible North Carolina residents attending independent non-profit colleges and universities for terms beginning after July 1, 2012.
- Began a partnership with the State Employees Credit Union to expand the Authority's Loan Rehabilitation Program, providing borrowers a chance to earn a fresh start by restoring their defaulted loans to good standing.
- Served as the pilot state for and conducted a joint study with The College Board on early communication of financial aid opportunities to low-income middle school parents. See pages 16-17 of this report for a summary.

College Foundation of North Carolina

As part of its commitment to help more students obtain an education beyond high school, the State Education Assistance Authority actively participates in a partnership called “College Foundation of North Carolina” (CFNC). This collaborative effort involves working with CFI, the University of North Carolina, the North Carolina Community College System, North Carolina Independent Colleges and Universities, and the Department of Public Instruction in providing a comprehensive website and a call center staffed with college planning and financing specialists. Fiscal year 2012 marked the eleventh full year of CFNC.

The service provides, in one place, the information North Carolina students and families need to plan, apply and pay for college. The CFNC service helps communicate through a single, one-stop resource that higher education is available and possible for all North Carolinians, creating greater opportunities to go to college than ever before.

Through CFNC, SEAA assists students and families from elementary school years through high school graduation and beyond. Services include helping young people to understand career opportunities and the education required to sustain them; assisting students to chart their coursework to prepare for college and career and to select colleges appropriate to their ambitions and talents; communicating with families the availability of financial aid to make college affordable; and advising students and families to take appropriate actions to minimize borrowing and prevent delinquency and default.

Services continue through the student’s college education and on into adulthood for nontraditional students, promoting financial literacy education and encouraging college completion, and last until any college indebtedness has been satisfied. CFNC includes information on both State and federal student aid programs to give students a comprehensive picture specific to their own situations. It also promotes the value of saving for college through the tax-advantaged NC 529 program.

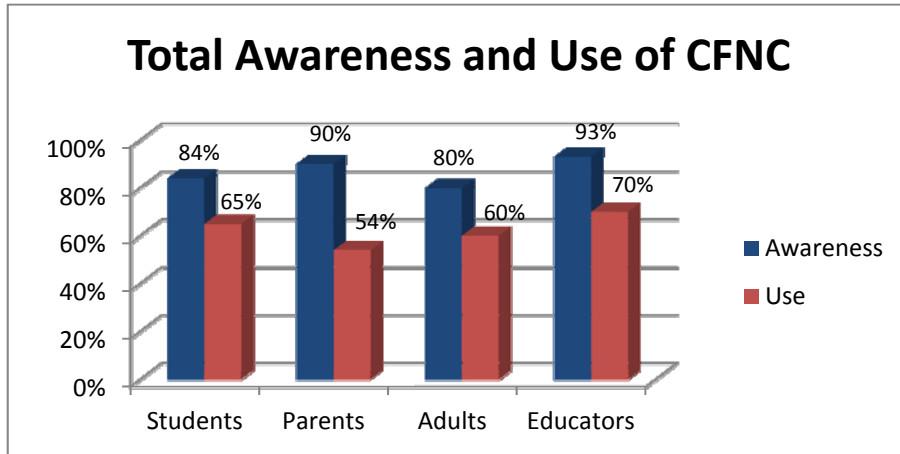


CFNC Usage Statistics, FY 2011-12

- CFNC.org on June 30, 2012 had more than 4.3 million user accounts and had averaged 8,500 daily visitor sessions for the year; 516,126 new user accounts were created during the year.
- The CFNC Call Center responded to over 127,015 phone calls on paying for college and responded to 5,373 emails on financial aid. The CFNC Resource Center took 11,099 calls on careers and college admission and responded to 4,217 emails with questions or publication requests on college admission and careers.
- CFNC Regional Representatives located across the state made a total of 2,637 college access presentations to 65,274 people in schools and community groups.
- North Carolina students submitted 482,297 college admissions applications using CFNC.org.
- CFNC transmitted 304,929 electronic North Carolina high school transcripts to North Carolina colleges and universities during the year.

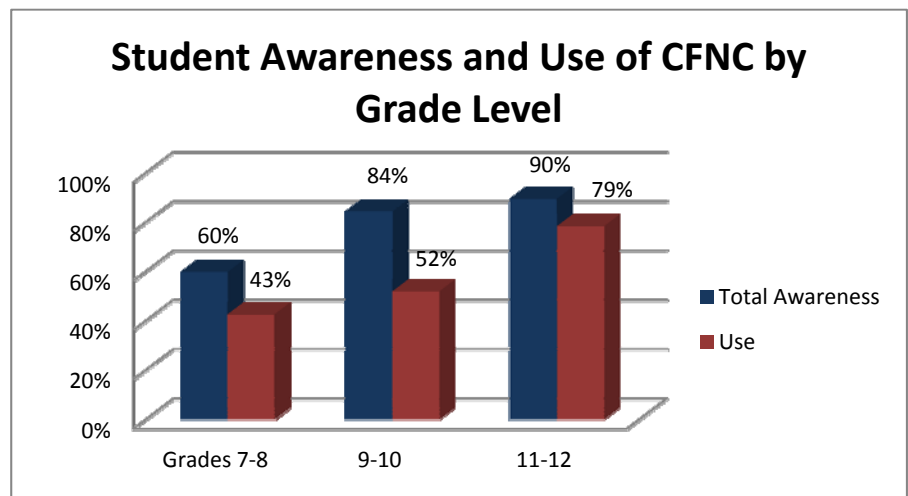
In May 2012 a use and awareness survey of CFNC.org was conducted by M/A/R/C, Inc., on behalf of the Authority. The study involved samples of students in grades 7-12, parents, adult learners, and educators across the state of North Carolina.

The following graphs summarize the findings of that study regarding total awareness (prompted and unprompted) of the CFNC services and use of the services among those who are aware.

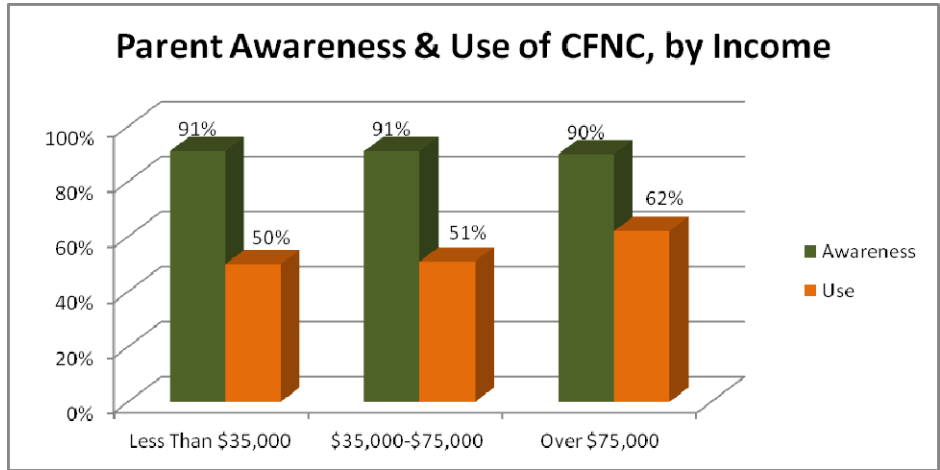


Overall awareness and use by all groups surveyed is remarkably strong, with awareness by any group no lower than 80% and as high as 93%. Among those aware, clear majorities in all groups actually use the service, and at rates higher than reported in the last study in 2006. .

Among students, awareness is highest, as one would expect, for high school juniors and seniors. But awareness and use are substantial even among younger students in North Carolina.

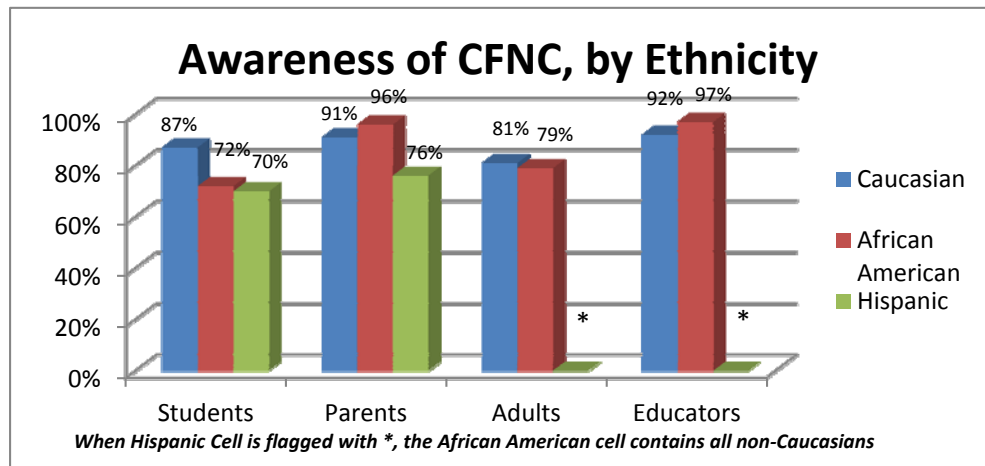


Parental awareness is very high, achieving a minimum of 90% across all income groups.

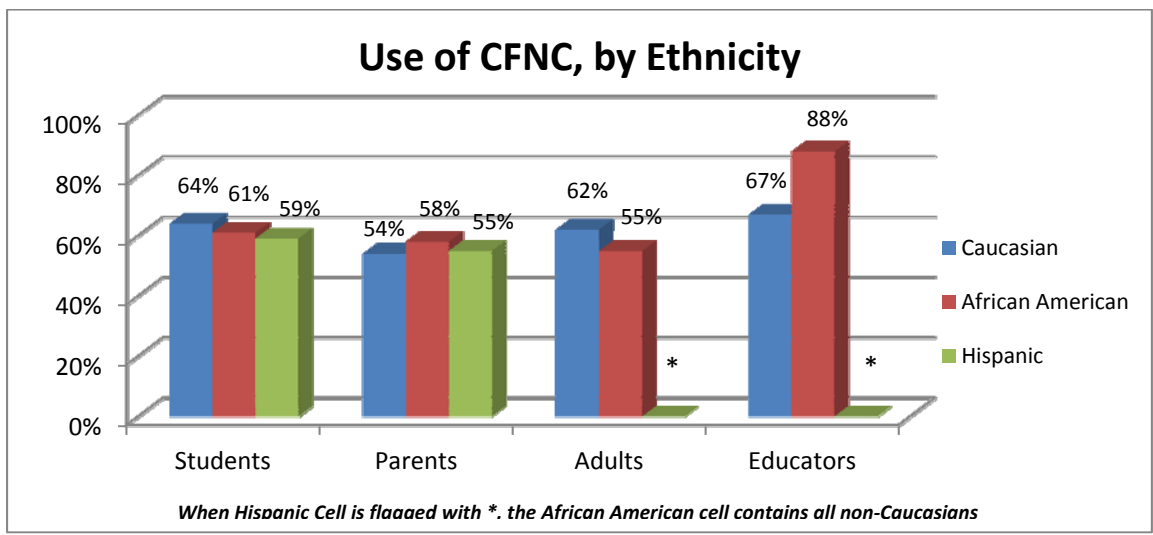


Use, as might be expected based on likelihood of sending children to college, is higher among higher income parents, but a majority of parents from lower income groups who are aware of the CFNC also indicated that they use its services.

Awareness by ethnicity is higher for Caucasian students and for African American parents. Latino parents are significantly less aware of the service.



Use by those aware of the services is similar across ethnicities, with variances not statistically significant.



North Carolina's National College Savings Program (NC 529 Plan)

North Carolina's National College Savings Program is maintained by the State Education Assistance Authority to enable residents of any state to invest funds to pay the qualified higher education expenses of their designated beneficiaries on a flexible basis that achieves certain tax savings in accordance with federal tax law and, for North Carolina residents, North Carolina tax law. The program is designed to meet the requirements of a qualified tuition program under Section 529 of the Internal Revenue Code. As part of the program, the General Assembly of North Carolina has established the Parental Savings Trust Fund, of which the Authority is trustee, to hold all assets of the program. The Trust Fund assets are not the property of the State of North Carolina. Current information on investment options and details on the program can be found at www.CFNC.org/savings.

<u>Investment Option</u>	<u>6/30/2012</u>	<u>6/30/2011</u>	<u>Change</u>
Federally Insured Deposit Account	\$40,705,147	\$23,545,054	72.9%
Dependable Income Fund	\$66,536,244	\$70,501,395	-5.6%
Protected Stock Fund	\$1,189,059	\$2,112,823	-43.7%
Vanguard Individual Funds	\$360,404,306	\$314,799,544	14.5%
Vanguard Age-Based Funds	\$503,309,547	\$411,210,904	22.4%
Total Fund Value	\$972,144,303	\$822,169,720	18.2%

Accounts	105,290	92,176	14.2%
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<u>Savings Program - Account Contributions</u>	<u>FY12</u>	<u>FY11</u>	<u>Change</u>
Active Core Equity Fund		\$3,098,725	-100.0%
Federally Insured Deposit Account	\$14,213,732	\$11,063,010	28.5%
Dependable Income Fund	\$9,140,893	\$10,072,590	-9.2%
Protected Stock Fund			-
Vanguard Individual Funds	\$66,011,201	\$60,102,563	9.8%
Vanguard Age-based Funds	107,250,700	97,279,672	10.2%
Total	\$196,616,526	\$181,616,560	8.3%

<u>Savings Program - Account Distributions</u>	<u>FY12</u>	<u>FY11</u>	<u>Change</u>
Active Core Equity Fund		\$2,128,782	-100.0%
Federally Insured Deposit Account	\$6,223,680	\$2,190,110	184.2%
Dependable Income Fund	\$11,569,513	\$11,779,988	-1.8%
Protected Stock Fund	\$350		
Vanguard Individual Funds	\$21,588,657	\$14,816,818	45.7%
Vanguard Age-based Funds	\$18,101,966	\$14,881,557	21.6%
Total	\$57,484,166	\$45,797,255	25.5%

NCSEAA Board of Directors

2011-2012

Richard B. Roberts, *Chairman*
F.V. Allison, *Vice-Chairman*
Arlene M. Ferren, *Treasurer*
Martha J. Beasley
Carolyn F. Edwards (*term ended 2/3/2012*)
Jennifer H. Haygood, *Ex Officio*
Robert S. Misenheimer
Charles E. Perusse, *Ex Officio*
James O. Roberts

Board members are appointed by the Governor for terms of four years, with the exception of the Chief Financial Officers of the University of North Carolina and the North Carolina Community College System, who serve *ex officio* per State law.

NCSEAA Senior Management

Steven E. Brooks, *Executive Director*
Iona Duckworth, *Director of Administrative Services and Quality Control*
Sharon E. Grubb, *Assistant to the Executive Director for Agency Management*
Julia R. Hoke, Esq., *Director of Legal Affairs and General Counsel*
Wayne E. Johnson, *Director of Guaranty Agency and Repayment Services*
Elizabeth V. McDuffie, *Director of Grants, Training and Outreach*

Contacting the NCSEAA

Post Office Box 14103
Research Triangle Park, NC 27709

10 T.W. Alexander Drive
Research Triangle Park, NC 27709

Telephone: (919) 549-8614
FAX: (919) 549-8481

Email: information@ncseaa.edu
Financial Aid Information: www.CFNC.org

Financial Aid Awards Administered by NCSEAA

Grants and Scholarships

Grant and scholarship programs are offered from State, federal and private sources

	2011-2012		2010-2011	
	Number of Awards	Amount Awarded	Number of Awards	Amount Awarded
Dr. Wade H. Atkinson Scholarship	9	\$22,500	11	\$23,000
Aubrey Lee Brooks Scholarship	61	794,735	64	713,541
Thomas Holmes Carrow Scholarship	22	107,500	23	112,500
Certain Private Education Institutions	163	280,548	159	283,976
Contract Programs in Medicine, Dentistry, Optometry	***	*****	18	250,200
Criminal Justice Scholarship	9	18,000	6	12,000
A.P. and Frances Dickson Scholarship	11	22,000	12	24,000
Education Lottery Scholarship	31,768	32,852,215	32,912	34,449,071
Golden LEAF Scholarship Program (UNC)	564	1,648,246	564	1,624,500
Mayor Anthony Foxx Scholarship	18	18,000	33	33,000
Jagannathan Scholarship	13	43,750	11	36,750
Ruth Jewell Scholarship	***	*****	1	2,000
James Lee Love Scholarship	14	77,000	14	67,500
John B. McLendon Scholarship	12	6,000	10	6,250
Medical Student Grants	***	*****	224	1,115,000
North Carolina Community College Grant	26,622	15,187,030	27,762	16,011,721
North Carolina Legislative Tuition Grant	36,312	50,709,390	36,091	57,757,183
North Carolina National Guard Tuition Asst Program	618	1,808,756	789	1,810,571
NC Reach (Child Welfare Postsecondary Support)	333	1,754,525	525	1,275,771
North Carolina School of Science & Mathematics Tuition Grant	623	2,930,749	841	3,745,347
North Carolina Student Incentive Grant	***	*****	9,398	5,635,362
Penn Family Scholarship	168	200,285	***	*****
State Contractual Scholarship Fund	17,081	40,257,144	18,349	46,397,693
C.M. and M.D. Suther Scholarship	13	43,750	15	40,600
Teacher Assistant Scholarship Fund	116	276,600	194	491,632
Turrentine Foundation Scholarship	271	535,000	***	*****
UNC Campus Scholarships	3,058	5,524,695	2,539	5,377,292
UNC Need Based Grant	57,095	125,632,901	65,993	161,439,804
Total Grants and Scholarships	174,974	\$280,751,319	196,558	\$338,736,264

Forgivable Loans for Vocational Service in North Carolina

Made for vocational areas of high demand and critical shortage. Repayment may be canceled through vocational service or made in cash for those not fulfilling the service obligation

	2011-2012		2010-2011	
	<u>Number of Awards</u>	<u>Amount Awarded</u>	<u>Number of Awards</u>	<u>Amount Awarded</u>
Board of Governors' Dental Scholarship Loans	23	\$904,704	28	\$969,153
Board of Governors' Medical Scholarship Loans	71	1,866,938	73	1,782,221
Future Teachers of North Carolina	***	*****	19	107,250
Health, Science, and Mathematics Loans	274	2,260,804	383	2,780,215
Millennium Teacher Scholarship Loans	41	248,831	46	285,015
Nurse Education Scholarship Loans	469	969,121	542	1,086,560
Nurse Educators of Tomorrow Scholarship Loans	127	1,812,250	142	1,995,250
Nurse Scholars Program -- Masters	165	844,106	153	805,560
Nurse Scholars Program -- Undergraduate	821	3,555,432	805	3,502,775
Optometry Scholarship Loan	16	228,800	17	236,300
Principal Fellows Program	110	3,139,300	115	3,228,868
Prospective Teacher Scholarship Loan	1,085	3,632,000	1,266	4,201,466
Total Forgivable Loans	3,202	\$19,462,286	3,589	\$20,980,633
Total NCSEAA Aid		\$300,213,587		\$359,716,897



Statement of Net Assets

As of June 30 (in thousands)

<u>ASSETS</u>	<u>2012</u>	<u>2011</u>
<u>Current Assets</u>		
State Student Aid Program Cash**	\$ 50,987	\$ 49,466
Restricted Cash and Investments	387,100	286,656
Receivables	374,053	361,478
Other Current Assets	44	0
<u>Noncurrent Assets</u>		
Restricted Cash and Investments	960,195	847,308
Notes Receivable	2,764,509	3,126,572
Deferred Charges	15,525	16,597
<u>Capital Assets</u>		
	5,657	6,044
Total Assets	<u>\$ 4,558,070</u>	<u>\$ 4,694,121</u>

LIABILITIES AND NET ASSETS

<u>Current Liabilities</u>		
Accounts, Notes, Bonds Payable	\$ 421,370	\$ 327,598
Other Payables & Accrued Liabilities	96,648	4,848
<u>Noncurrent Liabilities</u>		
Accounts/Bonds Payable	3,453,677	3,780,290
Other Liabilities	312	326
Total Liabilities	<u>3,972,007</u>	<u>4,113,062</u>
<u>Net Assets</u>		
Invested in Capital Assets, net of Related Debt	5,657	6,044
Restricted for Educational Assistance Programs	518,930	516,080
Unrestricted for Student Aid Programs	61,476	58,935
Total Net Assets	<u>586,063</u>	<u>581,059</u>
Total Liabilities and Net Assets	<u>\$ 4,558,070</u>	<u>\$ 4,694,121</u>

Statement of Revenues, Expenses & Changes in Net Assets

<u>REVENUES:</u>		
Non-operating Aid	\$ 126,192	\$ 168,421
Grants	59,971	44,405
Investment Earnings	6,491	4,420
Interest Earnings on Loans	69,976	82,159
Miscellaneous	5,793	26,034
Grants, Aids, Subsidies	(161,315)	(203,847)
Total Revenues (Expenses)	<u>107,108</u>	<u>121,592</u>
<u>EXPENSES:</u>		
Student Loan Service Cancellations	17,263	18,302
Interest Costs	38,478	38,755
Other Administrative and General	46,363	67,315
Total Expenses	<u>102,104</u>	<u>124,372</u>
Change in Net Assets	5,004	(2,780)
NET ASSETS--Beginning of Year	<u>581,059</u>	<u>583,839</u>
NET ASSETS--End of Year	<u>\$ 586,063</u>	<u>\$ 581,059</u>

Note: Audited figures will be available on our website at www.ncseaa.edu after October 1, 2012

**Includes Education Lottery Scholarship and State Scholarship Loan Funding for disbursement in 2012-2013

NORTH CAROLINA STATE EDUCATION ASSISTANCE AUTHORITY
Listing of Programs Administered, September 2012

State Scholarship and Grant Programs

- Child Welfare Postsecondary Support Program (NCREACH) (Disbursement)
- John B. McLendon Scholarship Fund
- North Carolina Community College Grant
- North Carolina Education Lottery Scholarship
- North Carolina National Guard Tuition Assistance Program
- North Carolina School of Science and Mathematics Tuition Grant for UNC
- North Carolina Need-Based Scholarship Program
- UNC Campus Scholarships
- UNC Need Based Grant

State Career-Specific Forgivable Education Loan for Service Programs *

- Board of Governors' Dental Scholarship Loan (Collections and Renewals)
- Board of Governors' Medical Scholarship Loan (Collections and Renewals)
- Forgivable Education Loan for Service
- Future Teachers of North Carolina Scholarship Loan (Collections and Renewals)
- Health, Science, and Mathematics Scholarship Loan (Collections and Renewals)
- Millennium Teacher Scholarship Loan (Collections and Renewals)
- North Carolina Optometry Scholarship Loan (Collections)
- Nurse Education Scholarship Loan (Collections and Renewals)
- Nurse Educators of Tomorrow Scholarship Loan (Collections and Renewals)
(Graduate Nurse Scholarship Program for Faculty Production)
- Nurse Scholars Program (Collections and Renewals)
- Physical Education-Coaching Scholarship Loan (Collections)
- Principal Fellows Program
- Prospective Teacher Scholarship Loan (Collections and Renewals)
- Social Work Education Loan Fund (Collections)
- Teaching Fellows Program (Collections)
- Teacher Assistant Scholarship Loan (Collections)

* While sometimes labeled "scholarships," the awards made through these programs are actually loans that carry a service repayment obligation. The State of North Carolina issues a loan to pay for a student's education in preparation for a specific career. The borrower earns forgiveness of the loan by working in that career in North Carolina. If the borrower does not complete the service obligation, the loan is repaid in cash, with interest. These programs are better termed "forgivable education loans for service," which is the name of a new program established by the General Assembly beginning in 2012-13 to consolidate many of the programs listed in this category. Programs indicated by "Renewals" were consolidated and renewal awards will be phased out as 2011-2012 recipients complete their educational programs.

Private Scholarship Programs

- Dr. Wade H. Atkinson Scholarship
- Aubrey Lee Brooks Foundation Scholarship
- Thomas Holmes Carrow Scholarship
- Criminal Justice Scholarship
- Dr. A.P. and Frances Dickson Scholarship
- Mayor Anthony Foxx Scholarship
- Golden LEAF Scholarship Program (UNC and NC Independent Colleges)
- Jagannathan Scholarship
- Ruth Jewel Scholarship
- James Lee Love Scholarship
- Penn Family Scholarship
- C.M. and M.D. Suther Scholarship
- Turrentine Foundation Scholarship
- John Sharpe Williams Memorial Scholarship

Federal Family Education Loan Program (Guaranty and Collections)

- Stafford Loans
- Unsubsidized Stafford Loans
- Graduate/Professional PLUS Loans
- Parental PLUS Loans
- Consolidation Loans

Other Programs Administered

- Carolina Computing Initiative Loan Program (Alternative Loan Collections)
- College Foundation of North Carolina (Information Dissemination)
- National Board Certification Loan Program (National Board for Professional Teaching Standards)
- North Carolina EXTRA Loan Program (Alternative Loan - Collections)
- North Carolina's National College Savings Program (NC 529 Plan)
- Paul Douglas Scholarship/Loan Program (Collection Only)

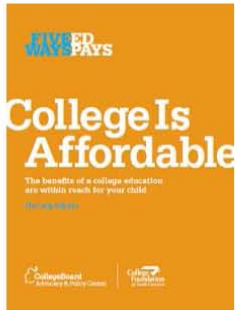


College Is Affordable: A Pilot Study

The College Board Advocacy & Policy Center and the College Foundation of North Carolina

“All my kids are four-and-a-half years apart, so as soon as one graduates, another one will be a freshman. This makes me feel a lot better. There is hope.” — Focus Group Participant

The College Board Advocacy & Policy Center and the College Foundation of North Carolina (CFNC) recently conducted an experimental study to determine the impact of providing, to low-income parents of middle school students, clear and simple information about how to pay for college. The study found that while many parents have some general knowledge of the financial aid system, clear information specific to the family’s circumstances can make a substantial difference in their understanding of financial aid eligibility and college prices.



BACKGROUND

The College Board’s Rethinking Student Aid Study Group recommended that communication with families and students about college financing and opportunity should begin early, and be as detailed, accurate and encouraging as possible. With the aim of increasing parents’ knowledge of how to finance college, the College Board and CFNC developed a brochure, *College Is Affordable*, and distributed it to a sample of lower-income parents of middle school students throughout North Carolina. The brochure recipients (the test group) and a similar group of parents who did not receive the brochure (the control group) were then interviewed to determine the brochure’s impact.

THE BROCHURE

Tested extensively through focus groups and in-depth interviews, the brochure was designed to communicate the very positive message that students from families such as theirs would receive enough grant and scholarship aid to cover tuition and fees at many North Carolina colleges, including all community colleges, UNC Chapel Hill and others. Versions in English and Spanish detailed the additional grant and scholarship aid these students would receive to help with the cost of books as well as living expenses. The brochure contained:

- A brief overview of the benefits of postsecondary education
- An explanation of the distinction between *reducing* the price of college through grants and scholarships and *managing* the price of college through work-study and loans
- A description of the types of North Carolina postsecondary institutions and how they differ
- A map showing the location of all public and private nonprofit two- and four-year institutions in North Carolina, as well as a table with the names of the colleges
- A specific “to do” list for middle school parents, encouraging their involvement in their children’s academic preparation

THE STUDY

The target population was parents or guardians of students in grades six through eight with incomes of \$30,000 or less. Parents in the test group, screened for qualification and agreement to participate, received and read the brochure and were interviewed by telephone. The control-group parents were screened and interviewed in a single call, using identical questions. (The interview questionnaire was tested in individual in-depth telephone interviews for clarity and comprehension prior to implementation.)

+24

percentage points

Increase, after reading the brochure, in the number of parents who know that tuition for their child would be free at many North Carolina colleges



"I didn't realize that they could go to a private school like Duke and have everything paid. I thought you needed to look at a public university or a community college. That's out of our range; don't even look there. That's what I was thinking."

— Focus Group Participant

Table from the *College Is Affordable* brochure

If your family income is \$30,000 or less, your actual cost for tuition and fees would be ZERO at many North Carolina colleges!				
2011-12 School year	NORTH CAROLINA COMMUNITY COLLEGE	UNC AT CHAPEL HILL	N.C. A&T	DUKE
Cost of tuition and fees	\$2,100	\$7,008	\$4,668	\$42,410
Amount you would receive in grants and scholarships	\$2,100	\$7,008	\$4,668	\$42,410
Your actual costs for tuition & fees	\$0	\$0	\$0	\$0
Your child can also receive grants and scholarships to help reduce the cost of living expenses and textbooks.				
	NORTH CAROLINA COMMUNITY COLLEGE	UNC AT CHAPEL HILL	N.C. A&T	DUKE
Additional grants and scholarships to help pay for books and living expenses	\$3,400	\$10,952	\$4,456	\$10,970

+22

percentage points

Increase, after reading the brochure, in the number of parents who know that most students pay less than the published college price

+14

percentage points

Increase, after reading the brochure, in the number of parents who understand that private four-year colleges may be more affordable than public colleges because they can offer more financial aid

KEY FINDINGS

Significant Impact

- **Knowledge of college costs:** Only 59% of control-group respondents but 72% of test-group respondents said they knew how much it costs to attend college in North Carolina — up 13 percentage points.
- **Understanding that many students pay far less than published prices:** 65% of test-group respondents and only 43% of control-group respondents agreed with the statement that most students pay far less than the prices colleges publish — up 22 percentage points.
- **Recognition that for low-income families in North Carolina, parents pay \$0 for tuition at many colleges:** 68% of test-group parents and 44% of control-group parents agreed with the statement that college tuition and fees are free at many colleges for families with incomes less than \$30,000 — up 24 percentage points.

Not a Significant Impact

Not all information in the brochure had a significant impact because the control group's attitudes about the importance of college were so positive that there was little room for improvement in the test group. We learned that:

- **Knowledge of and positive attitudes toward postsecondary education are widespread** throughout low-income parents of North Carolina middle school students.
- **Low-income parents are generally aware of the financial aid system and how it works.**
- **Low-income parents understand that a college education provides a wide range of individual and societal benefits.**
- **Low-income parents understand that college is broadly accessible.**