

Academic Advising Conference
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The Financial Crisis in Higher Education: What it Means for Advising and Advisors

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PENNSTATE



COLLEGE *of* EDUCATION

CENTER FOR THE STUDY OF HIGHER EDUCATION

cri·sis

Pronunciation: \krī-səs\
Function: *noun*

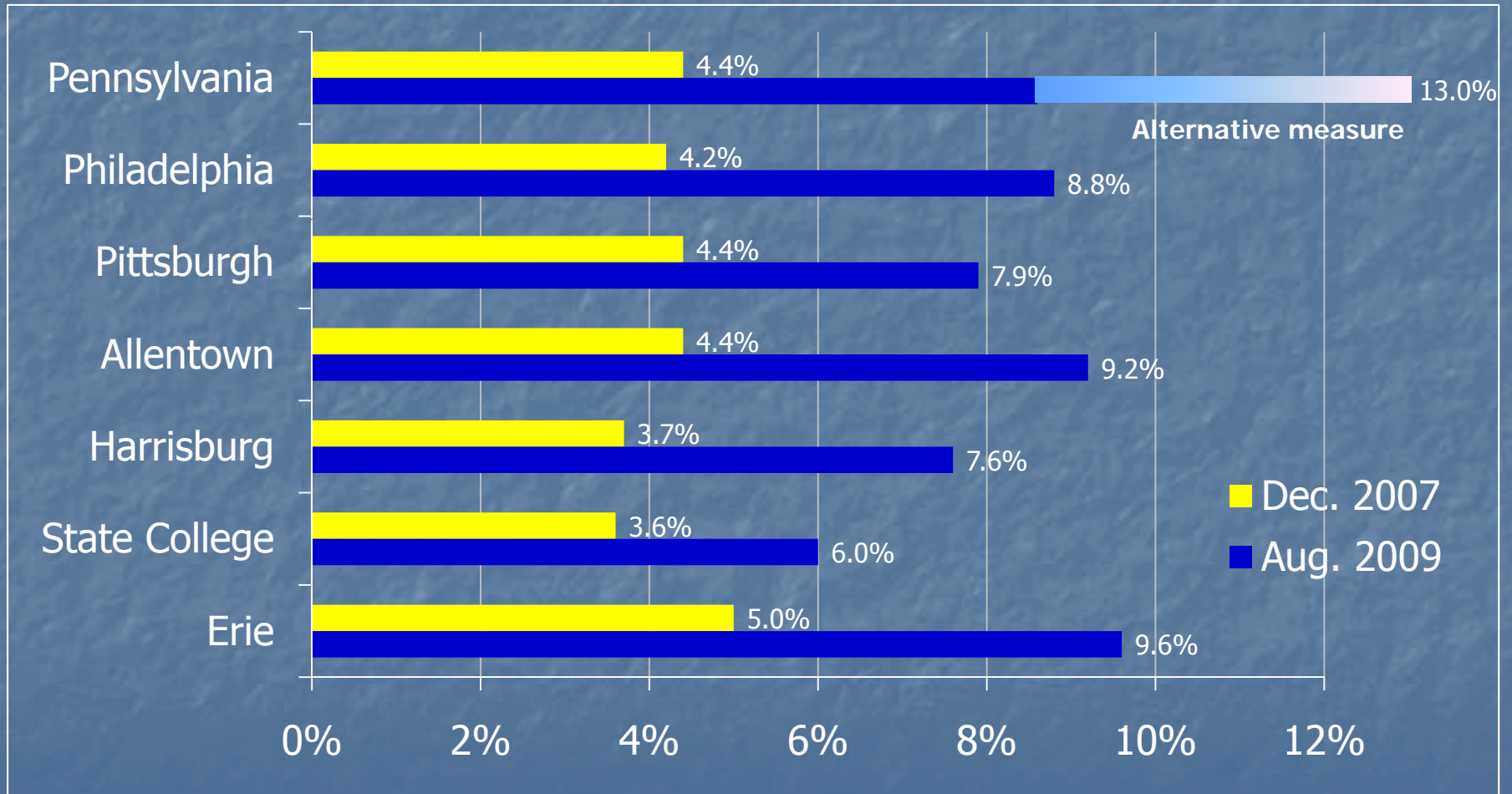
3 a : an unstable or crucial time or state of affairs **in which a decisive change is impending**; *especially* : one with the distinct possibility of a **highly undesirable outcome** <a financial crisis>

b : a situation that has reached a critical phase
<the environmental crisis>

Impact of the crisis

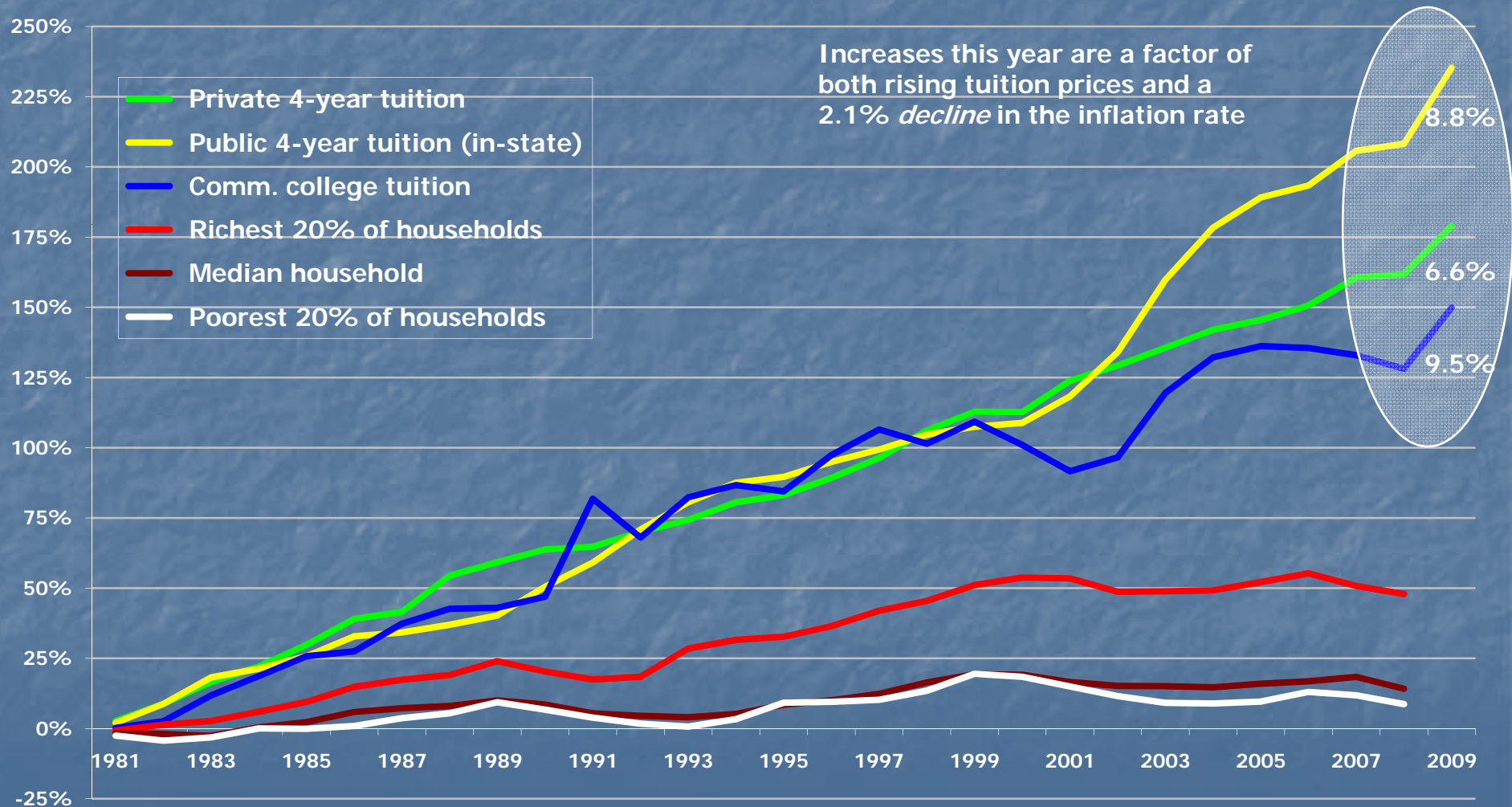
- Tuition prices are up, incomes are down
 - PSU: 4.5%/\$590 University Park (PA residents), 3.7%/\$886 (non-residents)
3.9%/~\$440 other campuses
- State funding for public institutions at last year's level
 - Maintained only through \$93M in federal stimulus funding
 - Appropriation for state-related universities still under debate
- Financial aid appeals are up 40% this year at PSU
- The \$619 increase in the maximum Pell award this year is less than the increase in COA in both public (\$849) and private (\$1,473) universities
 - PHEAA grants are unchanged
- Endowments are down
- Furloughs, layoffs, cutbacks at many higher education institutions

Unemployment in Pennsylvania



Changes in tuition prices and income

Increase since 1980, **constant** dollars



Impact on students

- Student concerns about finances
 - Fewer resources at home, higher costs at school
 - Fewer work possibilities for students
 - Financial aid not picking up the slack (private loan availability)
- Fulfilling academic requirements
 - Obtaining required courses
 - Family obligations
- Questions about career choices
 - Concerns about repaying student loans
 - Availability of jobs
- More student swirl
- **Long term impact on students?**

Advisors and advising

- Educate yourself about financial aid and funding for college
- Be sensitive to students' need for flexibility
- Understand career options for students
 - The obvious paths may not apply anymore
 - Graduate school may not be an option for as many students
- Consider opportunities for students at other campuses
- Develop new skills yourself, enhance your own career flexibility – particularly if the downturn is prolonged

Questions and discussion

<http://www.personal.psu.edu/deh29>