

# BALANCING Act

While students struggle to pay college tuition in an increasingly bleak financial aid environment, Pacific and other universities strive to balance the rising costs of providing a high-quality educational experience while making it affordable.

BY LINDA DUBOIS  
ILLUSTRATIONS BY  
MICHAEL LEONARD

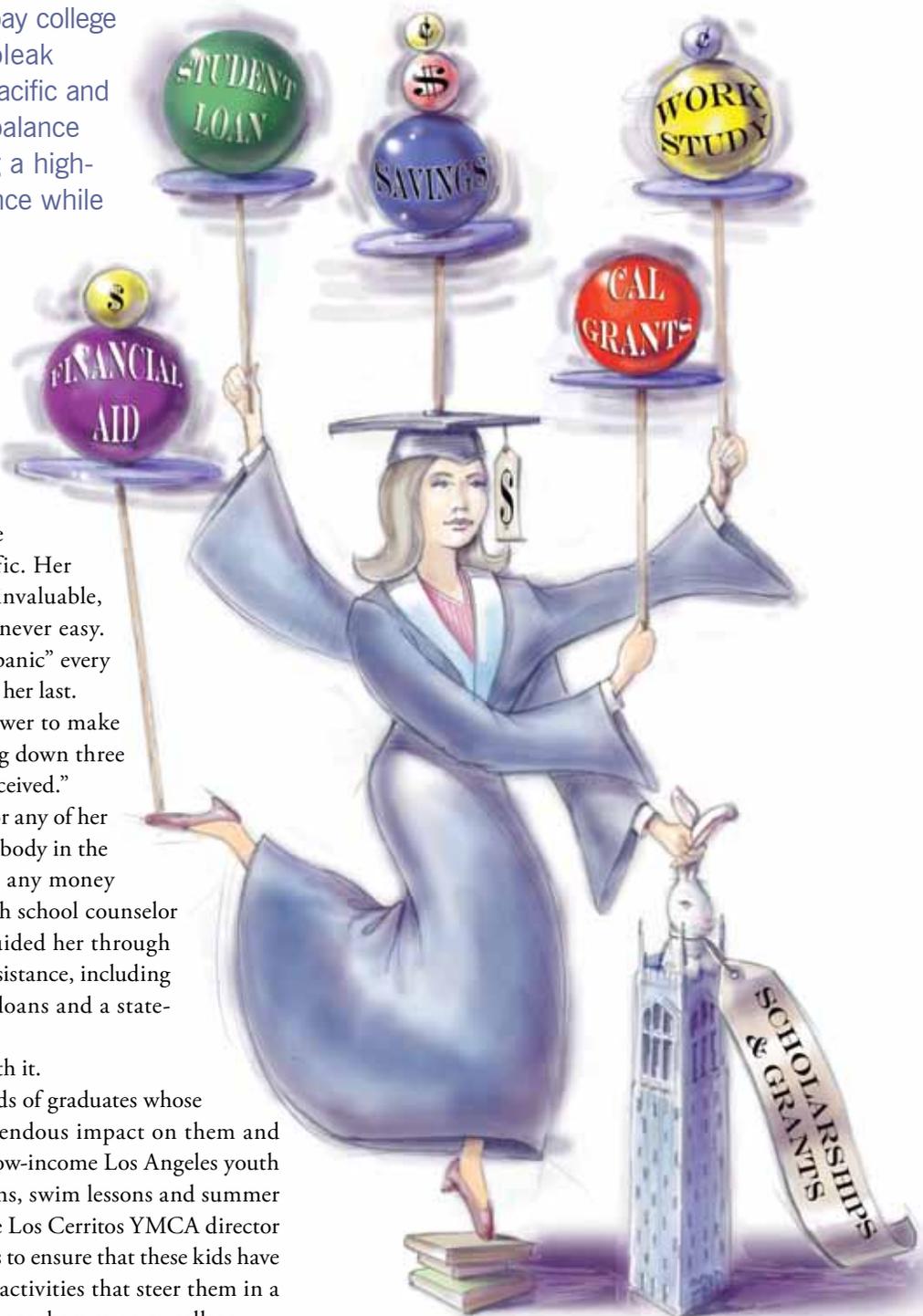
Mary Jane Villalovos '89 reflects on the exercise physiology degree that helped launch her career, as well as the friends she made and the responsibility she learned at Pacific. Her experience at the University was invaluable, she says — but paying for it was never easy. She remembers having “a wave of panic” every semester, worrying that it could be her last.

“But I did everything in my power to make it happen,” she says. “I was holding down three jobs on top of the financial aid I received.”

Her parents never expected her or any of her five siblings to attend college — nobody in the family ever had. They hadn't put any money away. Fortunately, Villalovos's high school counselor pushed her toward college and guided her through the process of securing financial assistance, including federal work-study jobs, student loans and a state-sponsored Cal Grant.

In the end, her struggle was worth it.

Villalovos is just one of thousands of graduates whose Pacific education has had a tremendous impact on them and their communities. Hundreds of low-income Los Angeles youth participate in after-school programs, swim lessons and summer day camps that she oversees. As the Los Cerritos YMCA director of community programs, she works to ensure that these kids have adult role models and wholesome activities that steer them in a positive direction. She also encourages them to go to college.



## Paying for college getting tougher

Today's students may have it even tougher. When Villalovos graduated, Pacific's annual tuition was \$12,770. It will be \$37,800 for 2012–13.

College costs nationwide are increasing about four to six percent annually and have tripled over the past decade in California public universities, according to the College Board.

Consumer Financial Protection Bureau numbers indicate Americans now owe \$1 trillion in student loan debt, surpassing both credit card and auto loan balances. The latest figures show the average student loan debt is more than \$27,000. At Pacific, the average is \$23,992.

More than 80 percent of Pacific students are receiving some type of financial aid, averaging more than \$22,000 per year. Pacific directly awarded more than \$50 million in institutional aid funds in 2011–12. Pacific has one of the highest percentages of high-need, Federal Pell Grant-eligible students (more than 40 percent) in the nation.

Pacific also matches state-sponsored Cal Grants, which go to more than one-third of its undergraduates — nearly 1,350 students. In fact, Cal Grant students get an average of \$17,500 in additional aid from Pacific, making their effective tuition about \$10,600.

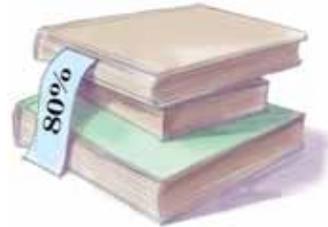
This year those Cal Grants were threatened. Gov. Jerry Brown's 2012–13 state budget proposal called for cuts to Cal Grants for students at private nonprofit colleges by 44 percent — from \$9,708 to \$5,472.

At Pacific alone, students could lose up to \$5.7 million in financial aid,

affecting more than 60 percent of Latino students and more than 40 percent of all other minority students.

"Pacific has been and continues to do everything we can to provide a superior quality, affordable education for our students," says President Pamela A. Eibeck. "It is sad to see that reductions in state and federal support have made it increasingly difficult for talented students to afford Pacific, even with the University's assistance."

*Percentage of Pacific students who receive financial aid*



## The cuts don't add up

The California Legislative Analyst's Office found that the proposed Cal Grant cuts don't make financial sense for the state. It costs the state general fund \$9,708 to educate a Cal Grant-eligible student at a private university; it costs the state \$24,000 to educate that student at a University of California (UC) and \$11,750 at a California State University (CSU).

Given enrollment reductions in the UC and CSU systems, the real danger is that more California students will be squeezed out of higher education or forced to go out of state, notes Robert Alexander, Pacific's associate provost for enrollment.

"If these students leave the state for their education, there's a much higher probability that they will remain out of state, causing a California brain drain, as opposed to the past 50 years of a California brain gain," Alexander says. "Even if these students are admitted into a CSU, with tightened enrollment, they'll likely be dislodging someone else, causing a domino effect."

## More families feel the squeeze

Low-income families aren't the only ones struggling to pay for college.

John Miller, president of the Pacific Parent Board, and his wife, Laurie, aren't rich, but they aren't poor either. Their kids aren't academic or sports superstars so they didn't receive full-tuition scholarships, nor did their income levels qualify for federal or state grants.

"Most of us are stuck in the middle," Miller says.

For a while, the Millers had three children in college at the same time. Megan is a recent graduate of San Jose

State; Peter is a senior at Pacific, and Jennifer is a junior at Fresno State. They started education savings accounts when their kids were little, but the funds were used up on private high school tuitions. Despite the family's frugal lifestyle, with the drop in value of employer stock options, they had to stop contributing to their 401(k)s and dip into retirement funds to pay the tuitions.

"We did anticipate the cost but had to reach into sources we had not planned to touch," Miller says.

Beyond federally subsidized loans of \$5,000 per year, the only assistance they received was from Pacific — an \$11,000 annual scholarship for their son, Peter. He'll graduate with about \$20,000 of debt, but "we hope he will be able to pay that back easily with his starting salary in computer science," Miller says.

Indeed, the past few years have presented many families with a double-edged sword. Even as families have experienced losses of assets, jobs and homes, colleges and universities have faced declining resources and increasing costs. Throw in low returns on investments and threats to financial aid, including the most recent threat of increasing interest rates for the popular federally subsidized Stafford loan. (A 2007



*Average financial aid Pacific students receive annually*

law that kept interest rates low is set to expire in July 2012, which could cause rates to double from the current 3.4 to 6.8 percent, an issue currently fomenting much political debate.)

To save money, families could consider community college and local state universities, but sometimes that can delay graduation, Miller says. “As those resources get strained, your child’s ability to get all their classes on schedule seems to get harder each year,” he says.



*Average proportion of Pacific total financial aid package that does not have to be repaid (grants and scholarships)*

## Why college costs so much

Pacific, like most universities, is in a delicate balancing act trying to keep costs down while providing an excellent education. It also aims to maintain small classrooms, top-notch faculty and attractive facilities that enhance a student’s experience, Alexander says.

“Students are expecting more, both in their direct educational experience in the classroom and all the associated technology that supports learning. We’re running a small city: residential facilities, a fitness center, a summer camp, outreach programs, a dedicated police force, as well as career advisement and placement services to launch our graduates into successful careers,” he says.

“If an institution wanted to focus only on instructional costs, there are ways to keep that down,” he says. The University could cut costs by increasing class size, hiring less experienced part-time faculty, moving more classes online or cutting student co-curricular programs, but that is not the kind of education people expect from Pacific.

“To deliver the kind of experience spelled out in our mission as a ‘superior student-

centered education’ where we’re focused on the development of the whole person — that’s an expensive proposition.”

## It’s still worth it

As tuition and student debt climb and job placement becomes more challenging, some question whether a college degree is still a good investment.

“The figures indicate it is still worth it,” says Farley Staniec, associate professor of

economics at Pacific, who has researched this very topic.

Staniec notes that the financial benefits may take a few years to show up. But based on College Board statistics, Staniec says a bachelor’s degree recipient graduating with the average student debt who doesn’t work at all during college years will see accumulated earnings catch up and surpass those of an individual with only a high school diploma, usually by age 33. For some majors, the catch-up age could be even sooner.

“After that, the difference just gets bigger and bigger,” she says.

But focusing just on financial benefits alone is missing a major value of college, she says.

“Instead of asking ‘How much more money can I make?’ consider ‘How much more life satisfaction can I gain?’” says Staniec. “Whether or not they pay more, the types of jobs a degree opens up are often going to involve more creative thinking, more critical analysis and more leadership experience. You may become a first-grade teacher and you may get paid the same as someone standing and stapling papers together all day, but being a teacher is going to be a lot more rewarding.”

Just as valuable, Staniec notes general



education requirements force students to explore various disciplines, so they can stumble onto something they love. As a political science major, she dreaded taking her first economics class.

“But I loved it!” she says. So much so, she switched majors and pursued a career in the field. “College gives you the opportunity to discover your passion.”

The total experience Pacific provides is especially valuable, according to feedback from current students and alumni.

“I have so many good things to say about Pacific,” says Colleen Purcell '12, who received substantial financial aid from Pacific on top of a Cal Grant.

“I just absolutely love the professors and small class sizes. All my professors here know me personally, they know my family and they know the type of student I am and how hard I work. I'm graduating with some great letters of recommendation and people who want to support me in my journey after I graduate because the Pacific community is so tight knit. I feel so blessed.”

Besides, she says, “If I had gone to one of the UCs, it would have cost me even more because Pacific offered me so much aid.”

## Rising to the challenge

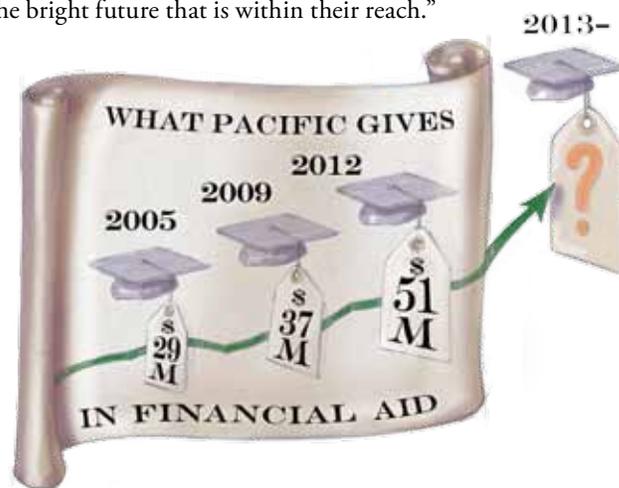
Villalovos believes alumni should join her in giving back to help keep college affordable for today's youth through political lobbying and fundraising efforts and by joining her in donating toward scholarships.

“I know how much it meant for me, so I think we should help pay that forward to someone else. I know there are many in the

same boat I was. I see students whose families have never gone to college and they've never gone beyond their own towns or cities. It frightens me that they're not getting the world experience that just going away to college for a few years will offer.”

Pacific is approaching this ongoing challenge with a variety of strategies, continually seeking ways to increase the resources available to support the students while maintaining fiscal responsibility, continuing to advance and improve the quality of the student academic experience, and finding creative ways to increase operational efficiency.

“This is a time for the entire Pacific family to think about how they can contribute toward building endowed scholarships,” says President Eibeck. “Working together, we can help students attain the bright future that is within their reach.”



*Alexis Duclos '13 speaks at the Capitol during a rally in support of Cal Grants.*

## Turning the Tide for Cal Grants

Pacific students, faculty and staff rallied on the Capitol steps in Sacramento on March 7 in support of Cal Grants. Later that day, the Assembly subcommittee would hold a vote on Gov. Jerry Brown's budget proposal to cut Cal Grants to students at private schools by 44 percent. The Pacific contingent was joined by representatives from other private nonprofit colleges and universities across the state. The event was a tremendous success.

Alexis Duclos '13 was chosen by the Association of Independent California Colleges and Universities to be the media spokesperson for the event, and Ty-Licia Hooker '12 spoke with members of Governor Brown's staff. Many other students visited legislators' offices to make their case face to face.

As the debate continued through the spring, the Governor decided to keep the cuts in his revised budget proposal. As of press time, negotiations were underway. To find out what you can do to save Cal Grants and for updates on the situation, visit [Pacific.edu/CalGrants](http://Pacific.edu/CalGrants).

## Their Stories

### Colleen Purcell '12

Communication and English



For Colleen Purcell '12, attending Pacific was a family passion — her parents and older sister also are Pacific grads.

She worked various jobs all four years and received a Cal Grant with matching funds from Pacific. Her grades, activities and achievements in high school also earned her a Pacific President's

Scholarship (about \$6,500).

"Without that, there's no way I could have gone here," she says.

In her second year, her Cal Grant and Pacific matching funds decreased because her sister had graduated. In her senior year, Purcell lost the Cal Grant entirely due to state budget cuts.

"That was a negative \$9,000... I got that information four weeks before I was set to come back." But, at the last minute, her grandparents offered to help her with tuition. She also learned Pacific would continue to give her the grant matching funds.

She will graduate with \$13,000 in student loan debt, which she considers minor compared to the outstanding education she received.

### Sarah Ruiz '12

Education



As a young girl, Sara Ruiz '12 dreamed of being an elementary school teacher. But achieving her dream meant she would need to become the first person in her family to attend college.

An only child from a broken home, Ruiz lived with her dad, a Mexican immigrant who grew up working in the fields. Today her father works

at a market in Courtland, near Sacramento, where Ruiz began working at age 12.

She studied hard and was active in sports and school activities, becoming her high school's valedictorian and homecoming queen.

When her dad learned Pacific was her top college choice, he encouraged her to apply, offering to take out loans. Then she received the Armando B. Flores Endowed Scholarship for education majors. She also worked at the market and three work-study jobs while living at home and commuting to classes.

### Christopher McHenry '13

Social Science



Lacking focus after high school, Christopher McHenry '13 spent the next two years working odd jobs. Though none of his family had attended college, he soon realized he wanted to pursue higher education.

"I saw that I needed something to challenge me mentally and help me set up a future — a career," he says.

McHenry moved in with his grandparents in Stockton and enrolled at Delta College, eventually transferring to Pacific. A social science major, he plans to begin law school in fall 2013.

Without a federal Pell Grant, a state Cal Grant and financial aid from Pacific, he says he never would have been able to afford college. Through Pacific's Community Involvement Program, a scholarship program for local, low-income, first-generation college students, he received a full scholarship.

And now, his younger brother is following in his footsteps and is heading for college.

## How can you help?

### Support Scholarships

Help Pacific keep education affordable for talented students:  
[Pacific.edu/PacificFund](http://Pacific.edu/PacificFund)



### Help Save Cal Grants

Follow the link from [Pacific.edu](http://Pacific.edu) or visit  
[Facebook.com/StudentsFirstAlliance](https://Facebook.com/StudentsFirstAlliance)

### Hire a Tiger

Have an opening for a job or internship? Hire Pacific students or alumni through the Pacific Career Resource Center:  
[go.Pacific.edu/CareerCenter](http://go.Pacific.edu/CareerCenter)

