



**Concordia**  
UNIVERSITY • SAINT PAUL

Responsive. Relevant. Real.



# Tuition Reset Fact Sheet

On September 12, 2012, Concordia University, St. Paul announced a 33% drop in the published tuition price of its traditional undergraduate program, reducing it by \$10,000.

- The tuition reset will take effect beginning with the Fall 2013 semester.
- It will apply to all new first-year students, transfer students, and returning students enrolling in Concordia's traditional undergraduate program.
- Tuition for the traditional undergraduate program will decrease from its 2012-13 cost by \$10,000.
- The cost of room and board will be frozen at its 2012-13 level.

	2012-13	2013-14	% Change
Tuition and Fees	\$29,700	\$19,700	-33.67%
Room and Board	\$7,750	\$7,750	0%
<b>Total Cost</b>	<b>\$37,450</b>	<b>\$27,450</b>	<b>-26.7%</b>

## Why We Did It

### Mission

- Concordia's vision is to provide outstanding value at an affordable cost by offering an education of high academic quality that is reasonably priced and readily accessible to qualified students.
- Concordia is devoted to providing an educational experience that is responsive to the needs of our students, relevant to the demands of the job market, and real preparation for thoughtful living and dedicated service so that our students can achieve personal and career success. We recognize that the growing reliance on student loans nationwide, however, can lead to accumulated debt that becomes an impediment to many graduates' efforts in building financial security for themselves.

### Market

- The higher education marketplace of prospective students is demanding real action on college affordability. Nationwide, those who consider college to be a good investment dropped from 81% in 2008 to 57% in 2012,<sup>1</sup> and only 40% of Americans think the higher education system provides good value in relation to its cost.<sup>2</sup>
- Although the University itself is currently in a position of strength (with record enrollment numbers and a higher academic profile for the entering class in 2012-13), the economic recession has eroded the financial situations of the students and families we serve—necessitating several years of increases in the institutional scholarship and grant aid Concordia awards, along a trajectory that simply is not sustainable.

<sup>1</sup> Source: Country Financial Security Index

<sup>2</sup> Source: Pew Research Center

# How We Did It

## Past Actions

- Concordia has a culture of fiscal prudence and a strong history of effective strategic planning, conservative forecasting of revenue growth, and careful attention to expense management. And for the past three years, its administrators have been intentionally planning for and creating the specific conditions that would allow Concordia to reset its tuition.
- Concordia has a diversified revenue stream, thanks in part to its cohort adult degree-completion and graduate programs, and has disciplined itself over the past decade to operate with low overhead and to rely on the core operating revenues of tuition and auxiliary services.

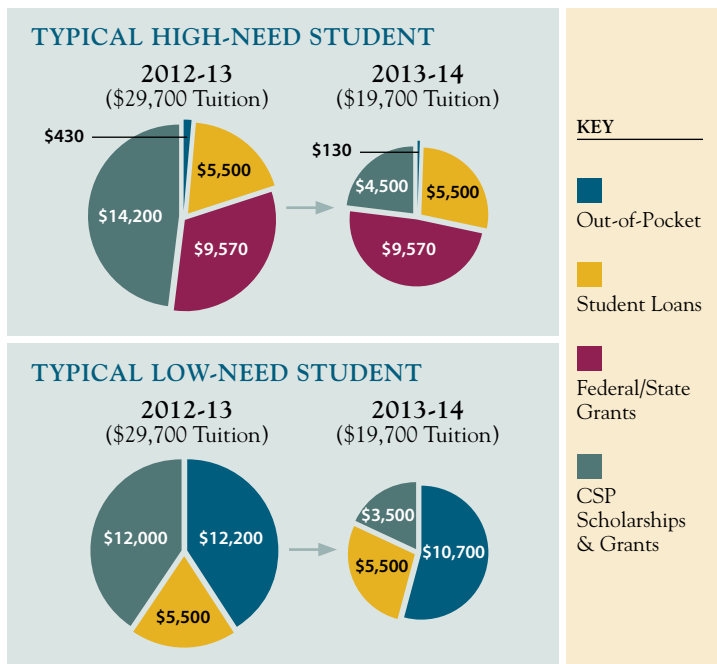
## New Actions

- The decrease in tuition is being accompanied by a decrease in our discount (the amount of institutional financial aid Concordia awards), but our move from a high-tuition/high-discount model to a low-tuition/low-discount model will actually lower our students' net cost. It will also bring our traditional undergraduate program into greater alignment with our degree-completion and graduate programs, which from their inception have operated with a low-tuition/low-discount model.
- The tuition reset is revenue neutral for Concordia given projected enrollment levels. The short-term cost to the University of including returning students, as well, in the tuition reset is being absorbed by Concordia through operations, donations to the annual fund and endowment.

# What We Expect to Happen

## For Students

- For students from families that qualify for need-based financial aid, their Federal Pell and Minnesota State Grants will stretch farther in covering a greater portion of their tuition expense.
- The tuition decrease will reduce the out-of-pocket cost for students from families that do not qualify for federal or state need-based financial aid.



## For the University

- With our published tuition price rolled back to approximately what it was a decade ago, Concordia will become one of the most affordable private colleges or universities in Minnesota and will also have one of the lowest costs among the Concordia University System institutions. The average net cost for our students will be comparable to the cost of the region's public universities.
- Modest enrollment growth is projected due to the elimination or reduction of cost barriers that now prevent some students and their families from choosing a private university. Nevertheless, Concordia's strategic goal is to maintain a traditional student population of approximately 1,500 to ensure a quality experience in and out of the classroom.
- Concordia expects to boost donor contributions to our endowment, which will strengthen our capacity to manage tuition to the best advantage of students and limit future tuition increases.
- In resetting tuition, nothing has been cut or eliminated from the Concordia educational experience in or out of the classroom. Retaining the high quality of the education we provide while reducing our tuition price will enhance our value equation.

- Returning Concordia students will receive a recalculated financial aid package for 2013-14 under the parameters of the tuition reset, and it will be more advantageous to each of them than the financial aid package they would have received based on the 2012-13 tuition rate with a standard 4% annual increase for 2013-14.
- Because need-based aid will stretch farther and out-of-pocket costs will drop, the tuition reset is expected to decrease families' reliance on unsubsidized parent loans and private student loans.



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