



Women Employed

Privatizing Student Loans Endangers College Access for Low-Income Students

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Outreach and assistance in navigating the financial aid process are vital to college enrollment and success, especially for low-income students. Illinois' performance in this area has made it a leader among other states in promoting access to education.

Revenue generated by the student loan portfolio pays for these vital services, giving low-income students access to state and federal financial aid, including the Monetary Award Program (MAP), a grant program for low-income adults. Selling the student loan portfolio to plug a budget shortfall will result in short- and long-term costs to the state, students and families.

Privatization eliminates funding for outreach and financial aid assistance to low-income students, including:

- Toll-free telephone financial aid counselors (87,000 calls annually).
- 270 year-round English and Spanish financial aid workshops (120,000 attendees).
- 50 walk-in College Zone outreach centers throughout the state.
- E-mail lists that make students, parents, and counselors aware of application deadlines and opportunities (5,018 subscribers).
- A website that guides students and families through the college aid process (429,000 unduplicated visitors).
- 400 trainings annually for 3,500 Illinois high school guidance counselors and financial aid officers.
- Outreach and assistance for 12 grant programs, including MAP.
- Financial planning and entrance counseling for students at high-risk for default.

Privatizing could result in direct costs of \$47-52 million annually.

- Cost of providing outreach and financial aid assistance currently being provided with no state funding: **\$7 million**
- Cost of administering state aid programs, like MAP, to the state and Illinois taxpayers: **\$15 to \$20 million**
- Potential additional direct costs to Illinois student borrowers and their families in higher interest rates and loan fees if a for-profit company administers loans: **\$25 million**

To preserve and expand college access in Illinois, low-income individuals need a system that keeps college awareness, outreach, and assistance as a central feature.

It's up to us.