



Innovative Strategies to Close Postsecondary Attainment Gaps

Institutional Debt-Forgiveness Programs

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Students who start college, but leave before they complete a degree, are often overlooked by institutions as potential students.

A significant segment of this group are adult learners, with recent estimates reporting that 7.6 million college students are over the age of 25.¹ Compared to younger students, adult learners are significantly more likely to have stopped attending college without earning a degree over a six-year period at a two- or four-year institution.² As adult enrollment is projected to continue increasing through 2026,³ it is crucial for higher education institutions to adopt practices that are responsive to the unique needs of today's students. If postsecondary institutions want to see this fast-growing student population cross the finish line, they will need to develop innovative strategies that remove barriers and promote completion.

Student debt is a major barrier to adult student reengagement and degree completion. An outstanding student balance often leads to registration and transcript holds, a situation which can discourage students remaining on the pathway to degree completion while also preventing stopped-out students reenrolling to complete a degree or transferring to another institution.

Institutional debt forgiveness is one approach to addressing the affordability barrier for returning students. Debt-forgiveness strategies bring students back to higher education by offering partial or full cancellation of the past-due balance owed to the institution. Implementing a debt-forgiveness program in conjunction with a reengagement strategy for adults, while offering focused student support services, helps students in gaining a post-secondary credential and generates a positive return on investment for the institution.

This guidebook features an interview with leaders at Wayne State University in Detroit, Michigan, who share details about the innovative debt-forgiveness program they implemented as a reenrollment strategy for students who stopped out of their university without completing a degree. In its first seven months, this program produced a net gain of \$200,000 in revenue for the institution. Following the interview, a [Reengagement Investment Calculator](#) is provided to help those to help those interested in replicating this program assess their institution's own potential "Return on Investment (ROI)" for serving this population of students. For those interested in learning more about debt-forgiveness strategies, a list of additional resources to explore is provided at the end of this guidebook.

1. National Center for Education Statistics. *Fast Facts: Back to school statistics*. Retrieved from National Center for Education Statistics website: <https://nces.ed.gov/fastfacts/display.asp?id=372>

2. National Student Clearinghouse. *Completing College: A National View of Student Completion Rates—Fall 2012 Cohort*. Retrieved from National Student Clearinghouse website: https://nscresearchcenter.org/wp-content/uploads/NSC004_Signature-Report_V9_12DEC18.pdf

3. Hussar & Bailey (2018). *Projections of Education Statistics to 2026*. National Center for Education Statistics. Retrieved from: <https://nces.ed.gov/pubs2018/2018019.pdf>



Detroit, Michigan

WARRIOR WAY BACK AT WAYNE STATE UNIVERSITY

- Dawn Medley, Associate Vice President for Enrollment Management, Wayne State University
- Amanda Rosales, Enrollment Management Project Director, Wayne State University

Researchers at the Institute for Higher Education Policy (IHEP) spoke with Dawn Medley and Amanda Rosales at Wayne State University, a public four-year institution located in the heart of Detroit, Michigan. Wayne State University is Michigan's third-largest university and serves a diverse population of commuters, campus residents, full-time students, working professionals, parents, grandparents, immigrants, and athletes from a range of socioeconomic backgrounds.

Wayne State's Warrior Way Back (WWB) program is a novel strategy for reengaging stopped-out students through debt forgiveness. The program gives eligible students the opportunity to reenroll at Wayne State and "learn their way out of debt," by reducing up to a \$1,500 account balance over three consecutive semesters (or at graduation). In addition to owing no more than the maximum outstanding balance of \$1,500, students must have been stopped out for two or more years and have at least a 2.0 GPA to be eligible for the program.

Once readmitted, students are required to remain enrolled and maintain satisfactory academic progress requirements while taking classes toward a degree. In its first seven months, Wayne State has seen a net revenue of \$200,000 from the students who ultimately reenrolled toward completion of their degrees.

The following sections provide an in-depth look at the development, implementation, and early results of the program and offer insights for institutions interested in exploring similar reengagement and debt-forgiveness strategies to increase completion rates among returning adult students. In order to help readers communicate their institutions' potential ROI to senior leadership and other stakeholders, IHEP's [Reengagement Investment Calculator](#) enables users to input simple data that institutions have at their fingertips and convert the short term debt-forgiveness investment into a long-term net revenue gain expected when reengaged students cross the finish line.

GOALS

What led to the creation of Warrior Way Back? How did you identify the problem?

In Detroit, nearly 700,000 students have some college but no high-quality credential. This population includes over 12,000 students who previously earned credits at Wayne State University before stopping out beginning in 2004. Wayne State has been making strides toward increasing graduation rates; the Association of Public and Land-grant Universities (APLU) named WSU the winner of its 2018 Degree Completion Award. However, we wanted to flip the conversation to focus on those students who did not successfully graduate. Our graduation rate had been steadily increasing, yet we still had a high number of students who stopped out—what could we do to better serve them?

To solve this problem, we focused on adult students who had earned some college credit but no high-quality credential before disengaging with higher education. Our goal was to engage this population to reenroll in college and successfully complete a degree program. Since these students had previous experience at Wayne State, we believed they were primed to reenroll if offered the correct incentive.

Many of our students who stopped out did so before several of our current student success supports existed. In the past few years, we have revised general education requirements, increased focus on need-based aid, built a strong advising corps, expanded food security support, and added support in areas of housing, social services, disability support, and emergency grant funds. As a result, Wayne State has become a much more inclusive and supportive institution.

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How did the idea for the Warrior Way Back debt-forgiveness program come about?

The initial idea came to me [Dawn] while I reflected on Wayne State's previous role in allowing barriers to access and considering ways to improve degree attainment in the Detroit metro region.

While stuck in traffic one morning, I heard a story on NPR about an initiative in Detroit offering parking fine forgiveness as an incentive to support downtown revitalization by encouraging more people to visit—and as a way to avoid impounding residents' cars so they could still get to work. Similarly, a major barrier to college reengagement is preexisting owed debt, which prevents course registration and transcript requests due to account holds. I wondered, could Wayne State adopt a similar debt-forgiveness model?

How did you decide which students you were going to target?

Using National Student Clearinghouse data, we identified students who, since 2004, had left Wayne State without enrolling at another four-year institution. We split our starting population of 12,574 students into subpopulations of students with financial holds only, academic and financial holds, and no academic or financial holds. This helped us identify which strategies might work for each group of students and formed the initial population of students to target for reenrollment by using debt forgiveness as an incentive. We figured that if we could reengage five percent of this population of students, we could make a solid gain in our overall student population, which would also nudge the university toward its enrollment goals. This calculation formed the baseline student population that we used to estimate institutional costs and revenue projections if those students were to reenroll.

How did you land on \$1,500 as the debt amount targeted for forgiveness?

This amount is the current threshold of debt that Wayne State uses to issue holds on student accounts to prevent future term registration. We decided to use the same amount to remain consistent with other institutional policies.

Debt forgiveness is capped at \$1,500, and any additional fees such as interest or past due fees on debt are not included in the calculation of debt owed. Students who owe less than \$1,500 are also eligible for the program. The full amount will be forgiven across three terms (e.g. debt reduced by one-third at the end of the first semester, reduced by one-third again at the end of the second semester, and the remainder cleared at the end of their third successful semester). Or, the balance will be forgiven in full once the student graduates if the student only has one or two terms to meet graduation requirements.

Were there any existing institutional features that set WWB up for success at Wayne State University?

Quite simply—our leadership. Our President, Roy Wilson, and Provost, Keith Whitfield, are the forces behind this work. They push us to be transformative and to be creative while always focusing on the best for our students. They empowered this kind of work and collaboration.



Wayne State’s demographics and existing student support services bolstered the successful launch of WWB. Our institution has a large student body and is the most diverse campus in Michigan. Over 50 percent of the freshman class at Wayne State are Pell-eligible and many are first-generation college students. Although in some ways Wayne State did not prioritize student success in the past, the recognition of the need to educate students with unique needs and backgrounds has resulted in critical institutional reforms. A major factor in the new outlook was our Provost’s willingness to pursue new ideas and strategies for advancing student-centered institutional practices. That shift in the university’s mindset has changed Wayne State in significant ways that support broad-scale reengagement efforts, including but not limited to, financial aid policy change.

Today, Wayne State has not only expanded need-based aid and waived application fees for first-generation and low-income students, but we also provide students with more advisors and have revised our education requirements with student success in mind. These existing supports could absolutely be extended to returning students as well.

PARTNERSHIPS

Which offices and campus leaders were critical partners in developing and preparing to launch the program?

Gaining the support of campus leadership was critical for successful implementation of WWB. At Wayne State, we are fortunate to have a President and Provost open to novel strategies for achieving tangible outcomes. With their support, the conversation expanded to include other key individuals, such as the Chief Financial Officer. It was also crucial that we involve other key campus members and offices to solidify our vision for the program and ensure a strong initial implementation, including admissions, advising, financial aid, student accounts, the business office, and faculty.

Was there any pushback on the idea of forgiving \$1,500 in debt?

We talked about the moral imperative of this program. We had changed as an institution and we owed it to our former students to bring them back (if they’d give us a chance) to a better Wayne State that was ready to support them as learners. Some folks were skeptical at first and needed to have it explained but it really wasn’t that hard to convince folks in the end. Everyone knows we’ve changed for the better and all we needed was for students to give us another chance. As far as the finances went, we created a cost-benefit analysis by calculating the difference between the amount of debt forgiven and the total institutional revenue expected. We were able to project net revenue and illustrate to campus leaders how reengaging the stopped-out population would produce a return on investment. We basically created a projection for earnings that has been reflected in the early results.

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Since students need to be stopped out for at least two years to qualify for WWB, many of their outstanding balances had already gone to collections. We diffused concerns about forgiving eligible student debts by presenting the program as a way of returning inactive students to campus while opening a potential source of untapped revenue for the university. WWB-eligible students were not readily repaying the balance owed on their accounts, so a reengagement campaign aimed at this group would likely produce some financial gains. For instance, we helped our Chief Financial Officer understand that if 100 percent of our stopped-out students in collections paid their debt, Wayne State would net \$2.5M. If all those students came back and actually finished their degree, Wayne State would net \$12.5M. Helping students cross the finish line helped not only the students but the institution as well.

By maintaining academic and financial holds on students due to unpaid balances, Wayne State was creating a prohibitive hurdle on the path to a degree for stopped out students—it was just another reason to dissuade these students from returning and completing what they started.

IMPLEMENTATION

As the program was finalized, how did you coordinate with the various offices involved?

The enrollment management team led coordination across several campus offices and areas. We crossed a lot of reporting lines. In addition to reviewing applicants for the program, we worked closely with financial aid, student accounts, and advising offices to determine eligibility. Financial aid advisors assisted with FAFSA completion and exploring employer tuition benefits. Academic advisors needed to work closely with students to communicate academic eligibility requirements, such as maintaining a 2.5 GPA during the three semesters, and to direct students to available support services, such as student success workshops. Advisors also had to have some difficult conversations with students about the shortest path to degree and assessing educational goals and realistic experiences. Our faculty had to be onboard as well. Faculty are a frequent point-of-contact for our returners, so they may need to assist these students in non-traditional ways, such as showing them how to use various technologies, online learning tools, and even simple things like YouTube videos. Many our WWB students have been out of school for years and haven't used technology as part of the education process. Wayne

State has also added a specialized adult learner advisor, though many of our advisors already support non-traditional learners in their current roles.

Were any new student-focused services introduced as part of this program?

No new student services were introduced as part of WWB. The program was implemented in the context of renewed efforts to significantly improve Wayne State University's student-focused services across the institution, including services that directly support returning adult students, such as Adult Success Workshops, Math Literacy Services, the Academic Success Center, and the Writing Center. These improved services ultimately benefitted WWB students. We planned the program with expansion in mind—our original proposal included a provision for opening a new student support position for every 100 students who reenrolled through WWB.

What unique factors and anticipated hurdles set this cohort of returning students apart from the general student body, and how did these factors guide the student-servicing approach?

We understood the magnitude of overlapping responsibilities and obligations that exist outside of the classroom for working and adult learners and needed to address those directly. By adopting a student-focused outlook, WWB incorporated existing campus support services into the reenrollment program. We also knew that, at some point, Wayne State had failed these students. It took a leap of faith for students to return to us, and we needed to do everything in our power to earn their trust.

We have shifted the way we interact with students and changed our mindset to: *why would you want to say no to a student?* Instead of telling them that they needed to go to a different office or return after completing a form, we would walk them to that next office or help them fill out the form. Through our actions, we demonstrated that we truly cared about these students and their success. Some of our students have talked about the "team" that supported them returning. We want these students to feel us walking beside them.



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How would you explain the debt-forgiveness program to a financial officer at another institution trying to implement a similar program?

Our business office writes off student receivables that are greater than two years old, so most of the debts owed by students eligible for WWB have already been written off to the bad debt reserve. Previously, holds on the account would prevent the student from returning until the bad debt was repaid. Wayne State is not paying or covering any additional debt, as the debt was fully funded when it was written off to the bad debt reserve. However, by forgiving the debt and inviting the students to return, we are not recovering payments up to \$1,500 for each participant.

For the students whose accounts had already gone to collections, we advised our agency of the program and willingly closed the accounts for WWB program participants with a balance of \$1,500 or less. If the student owes more, then they must pay the balance down to \$1500, including collection agency costs, before they are admitted to the program. We always explain that to students prior to them paying down the balance. We want to make sure they are eligible for the program, so they don't pay down the debt to be rejected. It's about having the conversation and understanding each student's situation, so they don't feel they have to navigate it alone.

What happens if a student is unable to remain in WWB?

If a student is unable to remain in WWB, several paths are available, depending on the circumstances. If they are not meeting grade requirements, we may guide them into our Phoenix program for grade forgiveness. If there is a new issue with tuition affordability, the Office of Student Financial Aid will do a second, thorough review of the student record to be sure all financial options have been explored. After our first semester, only a small handful of students stopped out because of a new balance. With upfront support and guidance, we have been largely successful in making sure the same situation doesn't present itself. This program is about being proactive. We know these students can leave the institution and have done so; we want to show them they can be successful and that we are invested in their completion.

As we've learned more about returning students, we have adjusted our requirements to allow students to take the summer semester off and take one additional semester off during the fall or winter. (Our winter is January to March; other institutions call this spring

semester). We want to allow students to make good financial choices, and sometimes this means pausing, especially if their work is providing tuition support or if they are making payments for their costs.

Lastly, we truly do work with students on an individual level and on a case-by-case basis. Returning students have so many priorities to consider, and we try to make sure we support and honor that. We can make exceptions based on what is fair, what supports the student best, and what is in the best interest of the institution. Usually these factors align, so it isn't a problem!

IMPACT

What kind of results has the program had so far?

The program launched in the fall of 2018, welcoming 56 students back to campus with an average age of 39. Nine students graduated in the first semester, earning a credential and erasing their debt owed to Wayne State. Currently we have 76 active students, most of whom are African American (77%) and come from high financial need backgrounds (67%). Fifty-five percent of the cohort are at a senior-class level and 11 more graduates are expected by August. Overall, Wayne State has seen a positive return on investment, generating more than \$200,000 in net revenue to date.



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Another benefit to consider is the positive impact on students' credit ratings. When we send a student to collections, it decimates their credit and affects much of their life. By removing that debt, you're opening up more housing options, transportation options, and even more employment choices.

What additional benefits or outcomes are expected as Warrior Way Back continues?

WWB will continue to impact students and the wider Detroit area in a number of ways. The debt forgiveness program is expected to continue to assist with the goal of setting up Detroit residents with enhanced career trajectories, and the program sets a new standard for



Wayne State's community engagement. We also had a few unexpected positive developments. One was the amount of good will Wayne State generated through its outreach to students. The program served to demonstrate that Wayne State was "walking the talk" when it came to meeting student needs. This increased positive perceptions of the university in the community and even inspired some students to pay down their debt to \$1,500 in order to become eligible for WWB. We've had members of the community encourage their children to look at Wayne State for higher education because we are seen as an institution that cares.

LOOKING FORWARD

What early lessons were learned throughout the development and rollout of the program?

Since many students were away from the institution for a long time, it was important for us to communicate that Wayne State was a new institution with a new outlook. Truly supporting adult students requires that we recognize areas where assumptions about traditional, straight-out-of-high school students created barriers for these students. We learned that some adult students require enhanced one-on-one advising to reacquaint themselves with the changed campus environment. For example, it was necessary to introduce students to new technologies, such as Canvas.

We would advise that anyone trying to implement a program like this should build out the program before announcing it. As we shared earlier, our leadership is pushing us to transform and to take leaps of faith. WWB was a huge lift and leap of faith that members of our campus community delivered quickly and with altruism.

How do you see this as a model ripe for wider expansion, and how active will Wayne State be in advocating for other institutions to adopt similar strategies?

One of the major goals of WWB is to boost the economy of the entire southeast region of Michigan. We see WWB as a national model for institutional debt forgiveness, which brings visibility to the institution and to Detroit. In line with this, the institution is open and willing to work with organizations, institutions, and leaders to rollout similar programs. Moreover, we have received many inquiries from students who did not attend Wayne State but who are interested in how a debt-forgiveness model may help them reenroll at the institution where they owe debt. Currently, Wayne State is working with the Detroit Regional Chamber, and two other higher education institutions, Oakland University and Henry Ford College, to collaborate on a regional debt-forgiveness partnership that will bring together two- and four-year institutions.

How would you advise other interested institutions to begin the process?

Begin by reviewing your institution's National Student Clearinghouse data to see how many students have stopped out without reenrolling at another institution. Once some baseline population numbers are established, you should try calculating an assumed ROI to support a cost-benefit analysis. Then take inventory of the existing campus services and offices that would engage with reenrolled students in order to sketch out what a comprehensive debt-forgiveness program will look like at your institution. Finally, you can present your idea, backed up with ROI projections, to campus leadership in order to start the conversation.

The calculation is simple and straightforward, and you can plug your institution's data into IHEP's [Reengagement Investment Calculator](#) to convert the short-term debt-forgiveness investment into a long-term net revenue gain expected when reengaged students cross the finish line.

Resources

Wayne State University’s Warrior Way Back, Urban Institute

This profile of Wayne State’s Warrior Way Back program provides a snapshot view of the program and its development. It highlights the need to secure and maintain the support of institutional leadership in designing and implementing a new strategic approach. It also stresses the importance of seeking partners outside of the institution, such as local employers, to build pathways for success that last beyond graduation.

Reboot Higher Ed, Episode 21: Wayne State’s Warrior Way Back Debt-Forgiveness Program

Hosted by Paul Bolton, Director of Graduate Admissions at Spalding University, this podcast episode showcases Warrior Way Back and includes an interview with Dawn Medley. Dawn provides a detailed account of Wayne State’s debt-forgiveness strategy, its origins, and some of the initial outcomes.

“Wayne State offers former students with debt—but no degree—a way back,” Wayne State University Newsroom

This article from Wayne State University details the Warrior Way Back program and its alignment with Detroit’s Talent Hub designation. A debt-forgiveness program like Warrior Way Back is one element in the city-wide goal of increasing degree attainment to boost the local economy. The article also mentions some of the other programs Wayne State offers, such as waiving fees for first-generation or low-income students.

Back to School Statistics 2018, National Center for Education Statistics

This fact sheet provides an overview on enrollment and financial statistics across education levels for the 2018 academic year. It provides basic information on enrollment and degree completion trends, including demographic information, college financing, and post-graduate employment trends.

Completing College: A National View of Student Completion Rates—Fall 2012 Cohort, National Student Clearinghouse

This report looks at six-year outcomes for students enrolled at two- and four-year institutions beginning in fall 2012. Outcomes are broken out by a number of different categories, including race and ethnicity, age, gender, and starting institution type. It finds that, overall, degree completion rates are increasing, but outcomes for black and Hispanic students remain behind those of white and Asian students.

Talent Hubs are 24 communities that have shown the ability and commitment to significantly increase college-level learning among residents of all backgrounds. Talent Hubs are officially designated as such by Lumina Foundation, with support from the Kresge Foundation.

To earn designation as a Talent Hub, each of these sites truly works as a community. That is, its businesses, education leaders, and civic organizations work as a unit to attract, cultivate, and retain skilled and knowledgeable workers. Aligned and organized around this shared goal, they create multiple ways for individuals to earn college degrees, certificates and other quality credentials beyond a high school diploma.

Each hub has a backbone organization – a nonprofit entity that organizes and coordinates the work of the various local stakeholders. The hubs span the country – from New York City to Shasta County, California; from St. Louis to the Rio Grande Valley, from Boston to Austin.

They serve various populations. Some focus on African-American residents, some on Latinos, others on American Indians. Some hubs are targeting traditional college students; others are zeroing in on older students who left school before finishing degrees. But all share a commitment to eliminating disparities in educational outcomes among students of color.

The Talent Hub highlighted here, Detroit, is implementing innovative solutions to improve outcomes at every stage of the talent pipeline through Detroit Drives Degrees. As part of IHEP's role in the Talent Hubs effort, IHEP documents the implementation of innovative practices and policies within Talent Hubs and develops tools to create and/or assess postsecondary policy with an emphasis on equity.

For more about the Talent Hubs effort, visit: <https://www.luminafoundation.org/talent-hubs>

