

Preparing for the potential Withdrawal Boom

How to succeed in an environment of
increasing anxiety.

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Here's What We Learned from Talking to Students and Parents.

We recently surveyed a national sample of current and prospective students and parents in the inaugural *College Confidence Index*.

The Index has been created to provide you with data-driven insights you can leverage to shape the conversation on student success ... and get out ahead of trends that might derail your efforts.

One such **trend** we have identified: **A potential significant increase in student withdrawals.**

Today, we'll take a look at how to mitigate the impact this may have on institutional resources ... while simultaneously supporting the best interests of your families.


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Highlights of the College Confidence Index

Nearly half (43%) of current students indicate they've thought about withdrawing (temporarily or permanently).

The majority (53%) of students and parents are less than fully confident that graduation will happen in 4 years.

 **85%** of parents and students agree the financial implications of withdrawal could be 'severe'.

 **78%** of parents worry about making student loan payments if their child has to withdraw from their college program.

More Than Half of Students Enter College Worrying They Won't Graduate

The majority of prospective students are *less than very confident* they will graduate within 4 years (56%) or complete college without needing to temporarily (55%) or permanently (51%) withdraw.

Allianz Tuition Insurance College Confidence Index

	Prospective Students	Current Students	Parents of Prospective Students	Parents of Current Students
	are less than "very confident" that:			
You/your child will finish college without needing to permanently withdraw	51%	45%	50%	35%
You/your child will finish college without needing to temporarily withdraw	55%	49%	52%	38%
You/your child will finish within 4 years of starting the college program?	56%	53%	54%	50%

Over 40% of *current* students say they've thought about withdrawing from school.

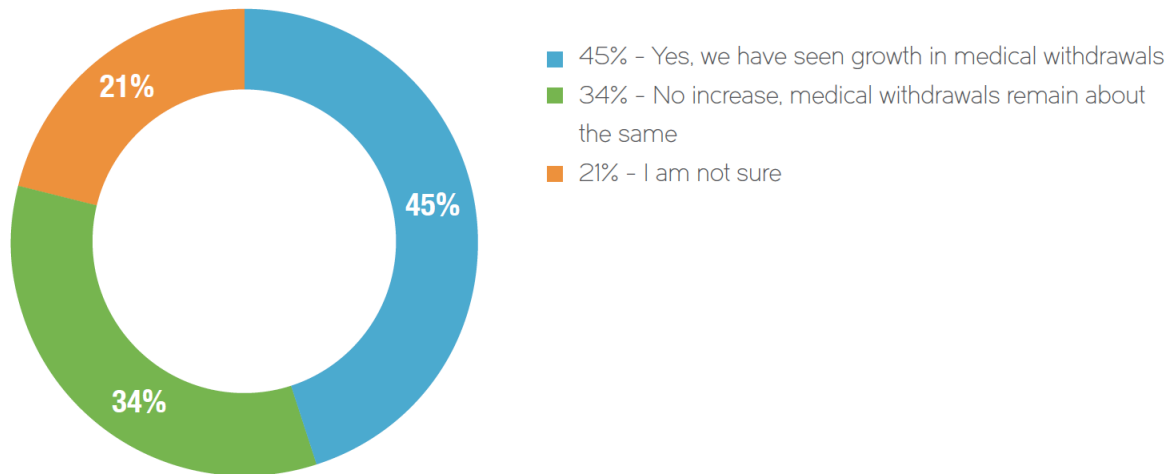
"I have thought about withdrawing from my college program"

Strongly Agree	Somewhat Agree	Somewhat Disagree	Strongly Disagree
13%	28%	21%	36%

It's not surprising that schools are reporting an **increase in withdrawals**.

2017 Survey

Has your institution seen an increase in student health related medical withdrawals?



The **College Confidence Index** identifies **family emergency** and **mental health concerns** among other top reasons for withdrawal.

Reason	Students	Parents
Family Emergency	69%	52%
Stress	66%	50%
Mental Health Condition	66%	46%
Physical Health Condition	60%	53%
Homesickness	30%	24%
Other	12%	13%

Students and Parents Agree: The Impact of Withdrawal Is Significant.

85% of students and parents agree that the financial repercussions of withdrawing could be severe.

They estimate they'd lose **\$11,000**

82% of parents and students worry about being able to make student loan payments in the event of a student withdraw.

64% of current college students agreed that worrying about student loans takes a toll on their studies.

Additional semesters aren't part of the plan.

“Most parents plan for a 4-year journey through college, but most students don't accomplish that. Many of those who finish in five or six years have either unnecessarily drained their parents' bank accounts or end up in a lot more debt.”

The New York Times

Education Life Column

April 6, 2017

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All This Makes Parents Very Apprehensive

Nearly 90% of Financial Advisors say college savings is their clients' #1 source of financial anxiety.¹

According to **Sallie Mae**,

29% percent of families said they were frequently or constantly stressed about education expenses, *twice the rate of those who felt stressed about medical and housing expenses.*²

According to **College Parents of America**,

26% of parents say they cannot pay for an additional semester ... **51%** said it would be difficult.³

¹ <https://www.allianztuitioninsurance.com/resources/finance/tuition-insurance-smart-option>

² How America Pays for College 2016 Sallie Mae's National Study of College Students and Parents

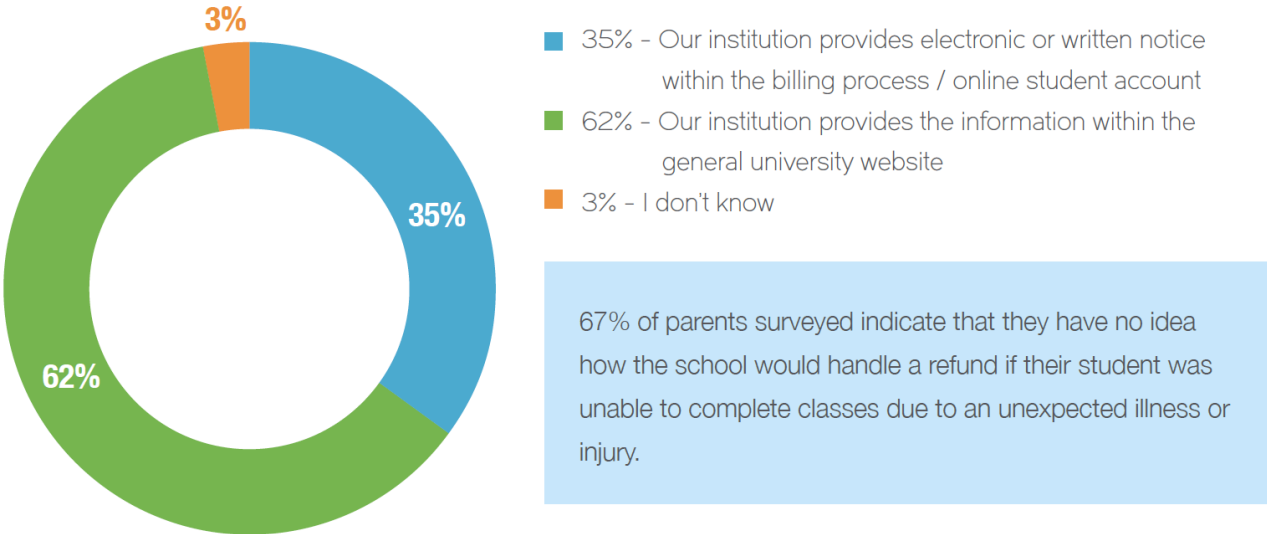
³ <http://collegeparents.org/2016/08/01/2016-survey-of-college-parents-2>

As a result, tuition payers are seeking transparency about school refund policies.

For the most part, though, they are not getting it.

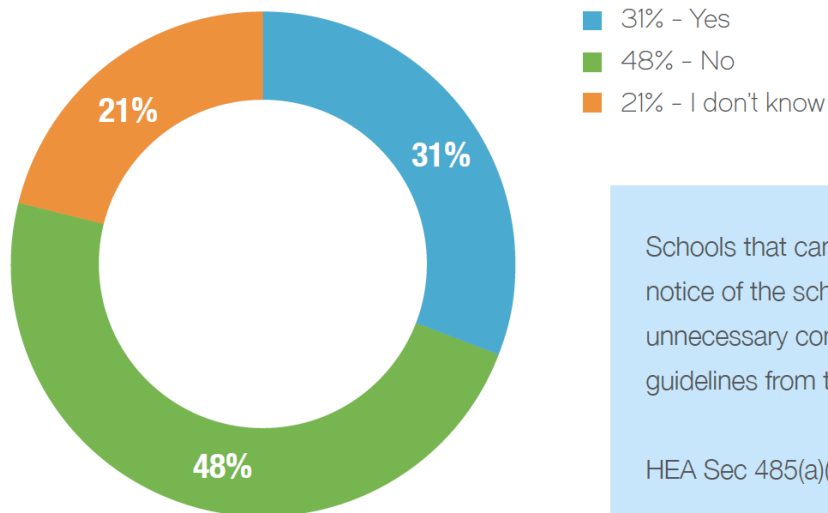
We found that only about **1/3 of schools** actively disclose their policy.

How does your institution disclose its refund policy to students & their families?



And, only about **1 in 3 schools** can verify that each student has received notice of the policy.

Can your institution verify if each student has received notice of the school refund policy?

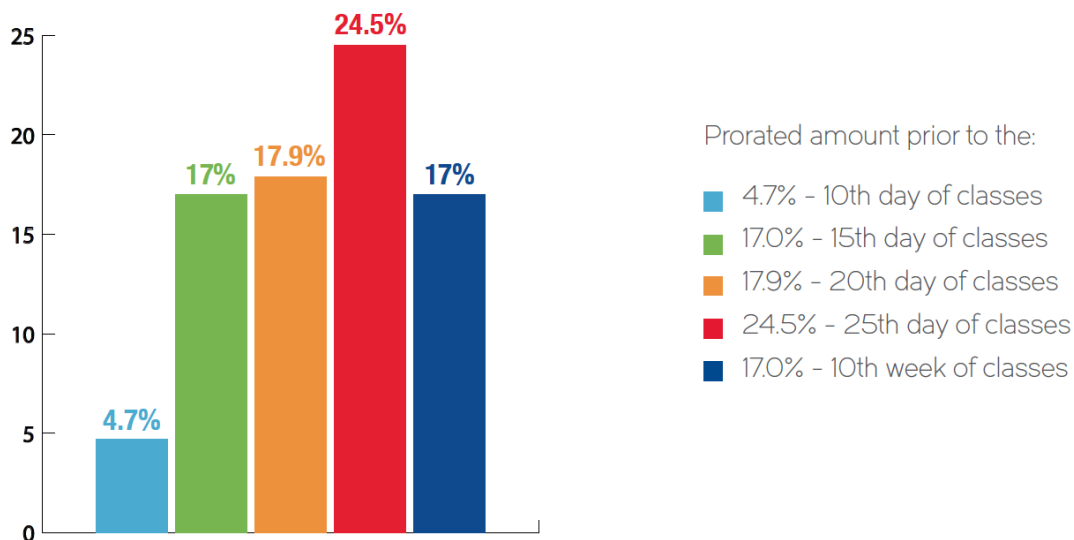


Schools that cannot verify if a student has received notice of the school refund policy expose the school to unnecessary compliance risk and may be in violation of guidelines from the Department of Education.

HEA Sec 485(a)(1)-(2)

Nearly 65% of institutions only offer prorated refunds through the 5th week of classes.

What is your institution's current student refund policy?



Tuition Insurance Can Help

With Allianz Tuition Insurance, families may receive reimbursement for up to 100% of tuition and academic fees if a covered student withdraws during the semester for any covered reason, regardless of the institution's refund policy.

- Provides peace of mind to families concerned with the financial and educational impacts of student withdrawal.

Demonstrates your institution's commitment to their well-being.

- By reimbursing tuition, room and board and other eligible fees, Tuition Insurance can allow students to repeat missed semesters.

Positively impacts retention and graduation rates.

- Allianz Tuition Insurance covers students throughout the entire semester.

Can help with the potentially costly and time-consuming refund and appeals process.

Terms, conditions and exclusions apply. Insurance benefits are underwritten by Jefferson Insurance Company (NY, Administrative Office: Richmond, VA), rated "A+" (Superior) by A.M. Best Co., under Jefferson Form No. 101-C series or 101-P series. Plan(s) only available to U.S. residents and may not be available in all jurisdictions. Allianz Global Assistance and Allianz Travel Insurance are brands of AGA Service Company. AGA Service Company is the licensed producer and administrator of and an affiliate of Jefferson Insurance Company. The insured shall not receive any special benefit or advantage due to the affiliation between AGA Service Company and Jefferson Insurance Company. Non-insurance benefits/ products are provided and serviced by AGA Service Company. Consumer may be responsible for charges incurred from outside vendors for assistance or concierge services. Contact AGA Service Company at 800-284-8300 or 9950 Mayland Drive, Richmond, VA 23233 or customerservice@allianzassistance.com.

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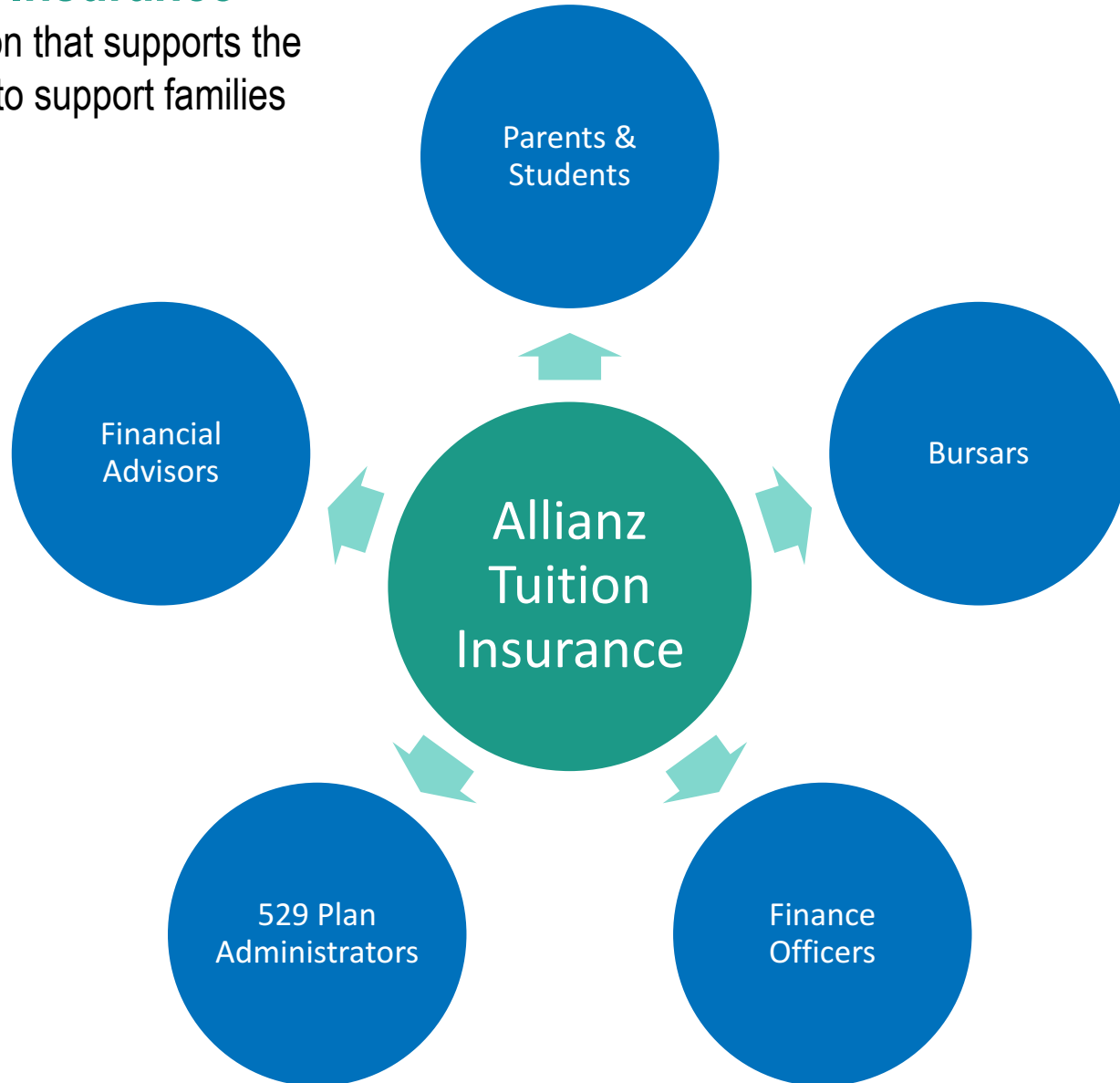
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Support your families. Protect your institution.

- The opportunity to consider Tuition Insurance can be integrated directly into your tuition payment path.
We manage everything at no cost to your institution.
- This works in tandem with an acknowledgement that requires tuition payers to actively review your refund policy.
This helps with compliance, and may help you avoid costly and time-consuming refunds and appeals.
- In the event a covered student withdraws for any covered reason, Allianz Global Assistance will manage the case and issue the proper refund.
This reduces the burdens on your staff and enables you to focus on what you do best.

Allianz Tuition Insurance

The strong foundation that supports the collaborative efforts to support families and students.



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To learn more ...

Email: AllianzTuitionPartners@AllianzAssistance.com

Phone: 1-866-887-9934

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Methodology

These are findings of an Ipsos poll conducted on behalf of Allianz Global Assistance.

For this survey, a sample of 2,004 Americans from the Ipsos I-Say panel was interviewed from April 24th to April 30th, 2017. The sample was divided as follows:

College Students: n=1001 (aged 17-25)

Prospective college students (likely to apply to a four-year college program in the next year: n=500
Current college students): n=501

Parents: n=1003

Of current college students aged 17-25: n=501
Of prospective college students aged 17-25 (likely to apply to a four-year college program in the next year): n=502

Quotas and weighting (by gender and region) were employed to ensure that the sample's composition reflects the overall population according to census information.

The precision of online polls is measured using a credibility interval. In this case, the results are accurate to within +/- 2.5 percentage points, 19 times out of 20, of what the results would have been had all parents and students in America been polled.

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