

The birth of Opportunity Scholars

Opportunity Scholars is the brainchild of a UT neuroscience professor who saw the many downsides of student debt. The idea: Help students avoid borrowing, and they agree to do the same for others someday, replacing the cycle of debt with one of paying it forward.

Max Snodderly believed in his plan so much he seeded the new Opportunity Scholars fund with a \$100,000 endowment. In return for the financial assistance they receive, students will sign promissory notes pledging to give back to the fund when they can. As contributions accumulate over time, the endowment will grow to support more students.

"I want it to be a change in culture," Snodderly said. "The culture we have now, and it's nationwide, is that students are expected to go into debt to get an education. I think that's the wrong way for things to happen. It's the wrong time of life to have to be in debt. And it's the wrong attitude to have. So this is an attempt to see if it can be modified. I hope UT can set an example and say, 'We can do better.'"

“The agreement is you get to go to college without going into debt. Your obligation is, when you get out and you're making money, you contribute. I want that to become a cultural tradition.”

Snodderly, who researches vision and teaches a course on visual neuroscience, says that being dogged for years by interest-bearing loans places financial strain on graduates when they are establishing their careers and perhaps starting families. It also discourages them from choosing less lucrative professions that make valuable contributions to society.

For students who participate, Snodderly said, "The agreement is you get to go to college without going into debt. Your obligation is, when you get out and you're making money, you contribute. I want that to become a cultural tradition."

How to give

Donor participation is crucial to the success of Opportunity Scholars. We invite you to help take aim at student debt while becoming part of the cycle of paying it forward.

To give to the existing Opportunity Scholars fund, go to giving.utexas.edu/OpportunityScholars. To create your own Opportunity Scholars endowment, contact Joe Wilcox, at joe.wilcox@austin.utexas.edu or 512-475-6212.

Learn more

Further information is available from the Office of Student Financial Services' website at finaid.utexas.edu or by emailing ask@finaid.utexas.edu.

Opportunity Scholars:

A pay-it-forward alternative to runaway student debt

THE UNIVERSITY OF
TEXAS
— AT AUSTIN —

Opportunity Scholars: A pay-it-forward alternative to runaway student debt

Borrowing money is a fact of life for half of UT undergraduates these days. The average amount borrowed by the time they graduate: about \$25,000. For each student borrower, that means loan payments on top of the pressures of starting a new life on entry-level wages.

Both the amount borrowed and the percentage of borrowers is steadily rising despite a tuition freeze that has been in place since 2011. That's due in part to cuts in state and federal grant funding — \$20 million in a single year — and a rising cost of living. In an effort to avoid borrowing, some students take part-time jobs during school that pull them away from homework and extracurricular activities.

But what if it didn't have to be that way?

A new program called Opportunity Scholars is taking aim at student debt, but with a twist: Students who receive financial assistance from the program agree to contribute when they are able. It's not a loan but a promise. Because the beneficiaries pledge to someday become benefactors themselves, Opportunity Scholars gives donors a chance to invest in UT students while knowing their kindness will be repaid.

Donors can either contribute to the general Opportunity Scholars endowment or create one of their own. The original Opportunity Scholars endowment gives preference to the

neediest students, but endowment-level donors can create their own Opportunity Scholars funds with whatever criteria they wish. Those criteria could include students from a certain geographic area or those studying a particular discipline.

Why tuition freezes aren't enough

Tuition has been frozen since 2011, so why are more students borrowing? The reason is twofold: Other costs are rising while other forms of support are shrinking. In addition to cuts in federal and state grants, the cost of living continues to rise. Austin is frequently cited as the Texas city with the highest housing costs.

Families also feeling the pinch

More than 1,100 parents of May 2014 bachelor's graduates borrowed through a federal program to help their children attend UT Austin. The average amount borrowed topped **\$32,000**. The number of parent borrowers increased by a third from 2009 to 2014, although the average amount borrowed increased just 5 percent.

The borrowing paradox

Students often see part-time jobs as a way to reduce the amount they borrow for school. But frequently they take longer to graduate as a result. The longer it takes to graduate, the more students end up borrowing.

10 reasons to support Opportunity Scholars

1. The cost of attending school is increasing.
2. Government grant support for students is shrinking.
3. More students are borrowing more money, both at UT and nationally.
4. Students who can make ends meet are able to more fully immerse themselves in their studies.
5. Students can graduate more quickly if they don't have to take part-time jobs to support themselves.
6. A college education should be accessible to everyone with the drive and ability to benefit from it.
7. Student debt can be an impediment to buying a house or starting a family.
8. Parent loan debt is increasing, and lower-income parents have the most difficulty securing loans.
9. Students who aren't facing debt are more likely to choose careers based on their passions.
10. Graduates without debt can afford to take lower-paying jobs that serve the public.

6-Year Comparison

Undergraduate student average education loan borrowed while attending UT Austin in May 2009 and May 2014

MAY 2009

MAY 2014

AMOUNT BORROWED - 5-YEAR CHANGE



2,389

STUDENT
BORROWERS



\$21,363

AVERAGE
BORROWED



2,628

STUDENT
BORROWERS



\$25,216

AVERAGE
BORROWED



\$3,853

AVERAGE
INCREASE



18%

INCREASE