



# FY2018 Financial Aid Report

**Committee on Administration & Finance**  
**April 4, 2018**

# Agenda

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- Financial Aid Overview
- UMass Investments in Financial Aid
- Students Receiving Financial Aid
- Financial Literacy and Student Debt
- Regional Comparisons
- Appendix - Campus specific metrics

# Highlights

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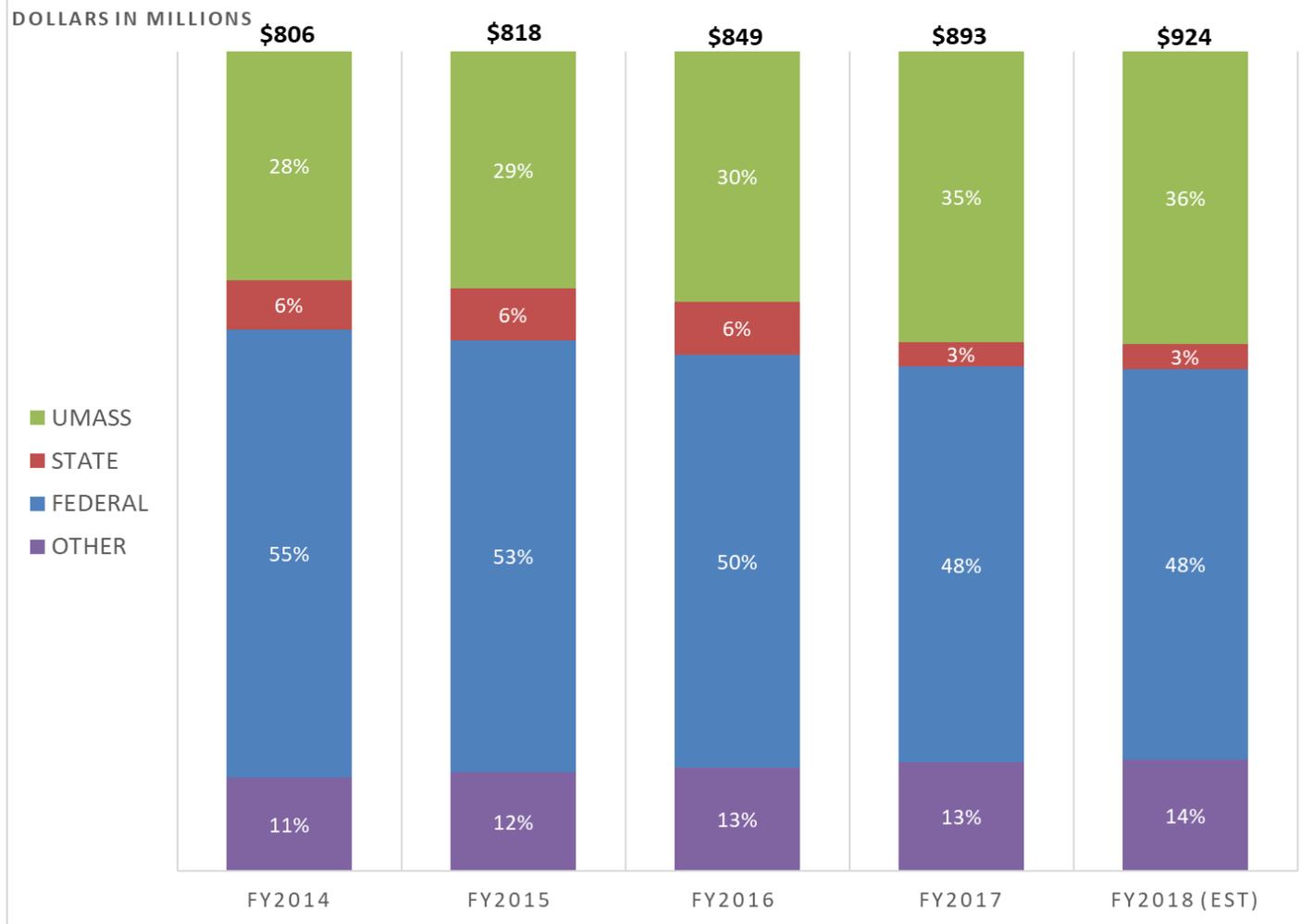
- FY17 total financial aid from all sources of funds increased 5% to **\$893 million**
- University Funded Aid:
  - Represents 35% of the total financial aid to students and is primarily scholarships and grants.
  - **Totaled \$316.3M** in FY17 which represents 10% growth over FY16
  - **Projected to grow another 4.5% to \$329.6M** for FY18 from continued investments in scholarships
  - Historic investment in financial aid over the past decade has grown University aid by over \$235.8 million or 292%.
- Federal aid, representing 48% of total financial aid, increased slightly in FY17; federally funded aid is provided mainly through loan programs.
- State aid represents 3% of financial aid.
- Average percentage of Undergraduates graduating with debt increased 2% in FY17 and the University continues to invest in financial literacy across all campuses.

# Sources and Categories of Financial Aid

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- Financial Aid is a complex subject due to the various sources of aid provided to students:
  - Federal government
  - State
  - UMass
  - Private Non-Profits, Banks, and Financial Institutions
- Financial Aid generally falls into the following categories:
  - Need Based Financial Aid - Awarded when a student demonstrates financial need based on completing the Free Application for Student Aid (FAFSA).
  - Non-Need-Based Financial Aid / Merit Aid - Awarded when a student meets certain eligibility requirements other than financial need (note: while this category is not constrained to students with demonstrated need, awards are made that address need).

# The University and the Federal Government are the Largest Sources of Financial Aid

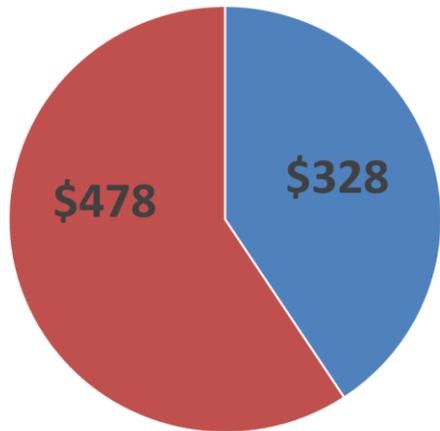


# Categories of Aid (Need and Non-Need) From All Sources

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- The category of need based aid from all sources represents a smaller % share of the total aid, due to decreases in Federal & State need based aid programs. However, the dollars invested in need based aid continues to grow.

FY2014  
Total : \$806 Million



■ TOTAL NEED ■ TOTAL NON-NEED

FY2017  
Total : \$893 Million



■ TOTAL NEED ■ TOTAL NON-NEED

# Types of Aid

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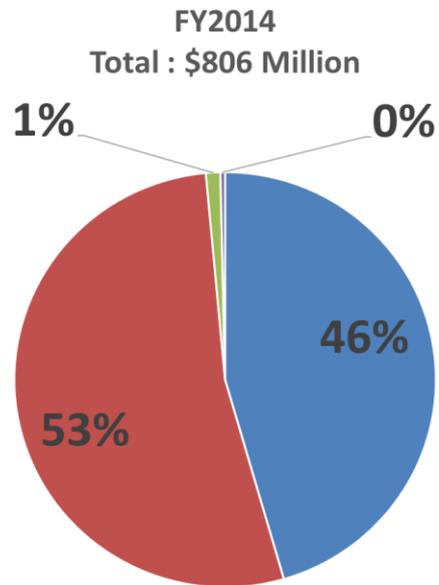
- Grants / Scholarships – gift aid to students which does not have to be repaid
- Waivers / Credits – a discount provided through programs which is applied directly to a student’s bill without any financial transactions
- Loans – borrowed money from the federal government, financial institutions, or college which has to be repaid with interest
- Employment/Work Study - work program through which you earn money to help you pay for school or defray costs associated with your education

<u>Grants / Scholarships</u>	<u>Waivers / Credits</u>	<u>Loans</u>	<u>Employment</u>
Pell Grants	Adams Scholarship	Subsidized Loan Program	Institutional Employment
Academic Department Scholarships	Graduate Tuition Waiver / Credit	Unsubsidized Loan Program	Work Study
Chancellor’s Scholarship	National Guard Waiver	Perkins Loan	
Mass Grant / Cash Grant	Need Based Waiver / Credit		

# Types of Aid: “Free Aid” Continues to Increase

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- The type of aid provided specifically from grants has increased from 46% of total aid to 49% of total aid from FY14 to FY17. UMass investments are positively impacting the share of grants provided to students.



■ Tuition Credits/Grants/Scholarships ■ Loans ■ Employment ■ Other



■ Tuition Credits/Grants/Scholarships ■ Loans ■ Employment ■ Other

# Student Eligibility

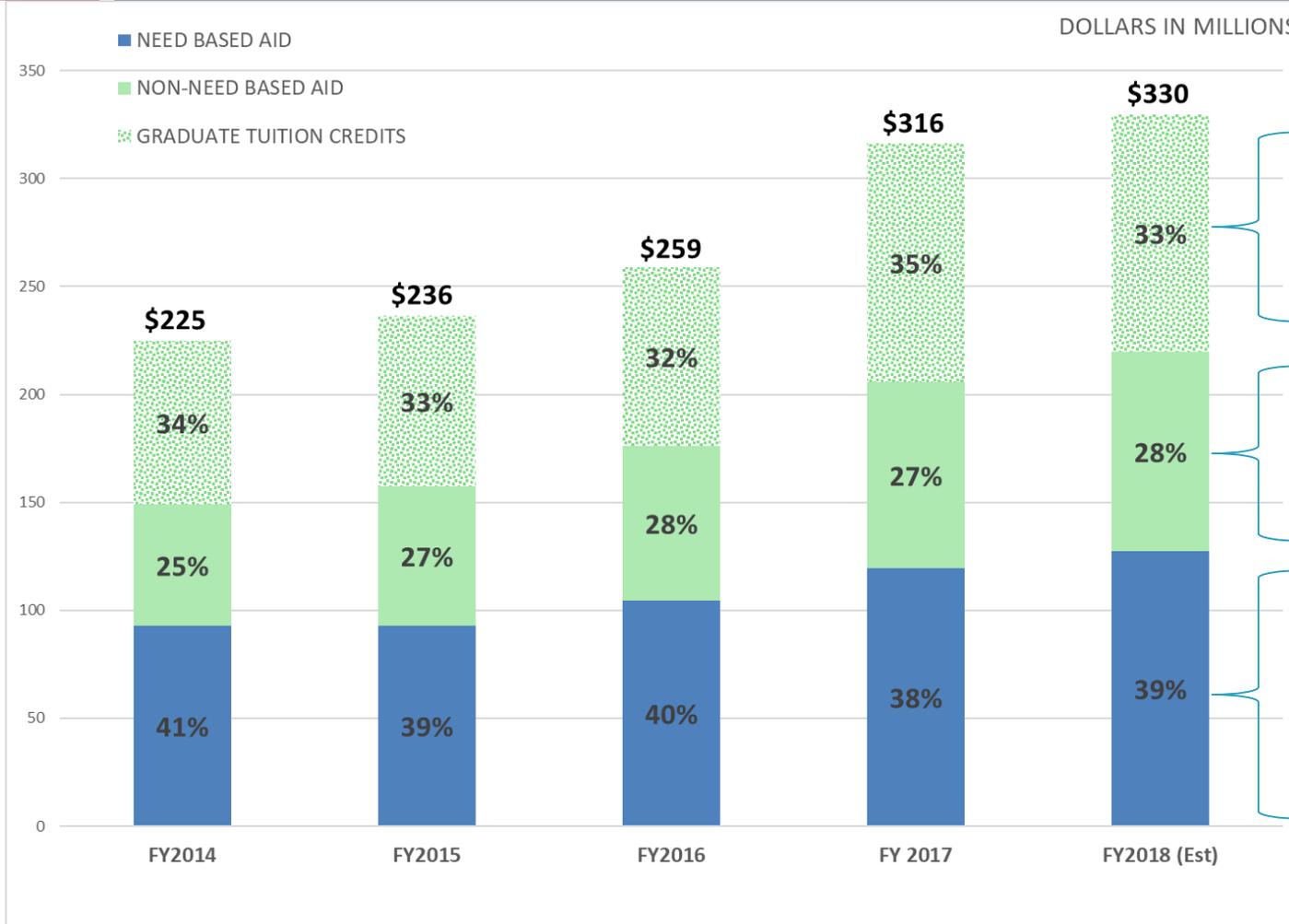
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- FAFSA is utilized to define financial need for students and families; calculating the Expected Family Contribution
- Within each source of funds, available financial aid is linked to specific eligibility requirements that vary by each program.
- For University funded aid, each institution will have different parameters against how funds are used to strategically assist students with the cost of education. The time limit on University funded aid varies and can be difficult to track due to student specific variables (i.e. part time students, transfer students, withdrawn students, etc.)
- All federal and state funded aid is mandated to monitor Satisfactory Academic Progress for all recipients.
- Federal aid like Pell Grants and Subsidized Direct Loan, are generally available for up to six full-time years at the undergraduate level.
- State aid including the Adams tuition credit, MASS Grant program, and some other tuition credits have a max of four full-time years.



# University Funded Financial Aid

# University Funded Financial Aid Projected to Grow 4.5% in FY18



\$110 million;  
declining 1% from  
FY17

\$92 million;  
increasing 7%  
from FY17

\$127 million;  
increasing 7%  
from FY17

# Types of University Funded Financial Aid

Need Based Aid	FY2014	FY2015	FY2016	FY2017	FY2018 (EST)
Scholarship/Grants/Credits	98%	98%	98%	98%	98%
Employment/Work Study	2%	2%	2%	2%	2%

Non-Need Based Aid	FY2014	FY2015	FY2016	FY2017	FY2018 (EST)
Scholarship/Grants/Credits	29%	31%	34%	42%	44%
Graduate Waivers/Credits	58%	55%	53%	45%	43%
Athletic Scholarship	9%	9%	9%	9%	9%
Employment/Work Study	4%	4%	4%	3%	3%
Loans/Other	0%	0%	0%	2%	1%

- The majority of University funded aid is “free” aid provided by scholarships, grants and tuition credits.
- Campuses have reviewed non-need aid recipients and determined roughly half of this category of aid helps meet students’ need.

# Percentage of Student Need Met

- Need Met: the percentage of need that was met of in state undergraduates who were awarded any need based aid including grants, scholarships, loans, and work study from all sources.
- Excludes any aid awarded in excess of need and any resources awarded to replace Expected Family Contribution (EFC) such as parent, unsubsidized, and private loans.
- A new policy by the Federal government implemented in FY17 allows families to use prior-year tax information on the FAFSA and adjustments to the formula to calculate need have increased the level of financial need resulting in an impact to the need met calculation

	FY 2014	FY2015	FY2016	FY2017	FY2018 EST
<b>Amherst</b>	82.3%	82.4%	86.7%	86.8%	86.2%
<b>Boston</b>	89.0%	90.0%	88.0%	87.0%	85.0%
<b>Dartmouth</b>	90.0%	91.0%	90.0%	82.5%	81.8%
<b>Lowell</b>	90.0%	90.0%	89.0%	89.0%	88.0%
<b>University</b>	86.9%	87.4%	88.1%	86.7%	85.6%

# University funded financial aid is predominantly supporting In State Students

	FY16	FY17	FY18 EST
<b><i>Need Based Aid</i></b>			
In-State	93%	94%	94%
Out-of-State	7%	6%	6%
Total Students (HC)	25,170	29,971	31,173
<b><i>Non-Need Based Aid</i></b>			
In-State	63%	77%	76%
Out-of-State	37%	23%	24%
Total Students (HC)	23,823	39,120	39,297

# 52% of the Average Financial Aid Package is covered by grants for students with the most unmet need

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Federal Income Range	Average Financial Aid Package	Average Unmet Need	Average Grant Award	Average Loan Award	Average Work Award
Less than \$30,000	\$ 15,450	\$ 2,944	52%	38%	10%
\$30,000 - \$40,000	\$ 14,667	\$ 2,649	53%	36%	11%
\$40,001 - \$50,000	\$ 14,568	\$ 2,422	53%	36%	11%
\$50,001 - \$75,000	\$ 12,784	\$ 2,074	47%	41%	12%
\$75,001 - \$100,000	\$ 9,900	\$ 1,488	39%	46%	14%
Greater than \$100,000	\$ 6,299	\$ 779	32%	51%	17%

- An average Financial Aid Package aggregates the costs of attendance and other related costs and includes Expected Family Contribution calculated from the student's FAFSA
- The Financial Aid Package may contain grants, loans, and work study to defray the cost of attendance. The Unmet Need represents the difference between a student's need and their aid package.
- The Average Grant Award, Average Loan Award, and Average Work Award provides information on the composition of an average aid package for students.

# Financial Literacy Programs

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**UMass Amherst:** Held a number of events on campus, including the *Price is Right* and *Cash Cab*, in an effort to get financial literacy resources and information out to our students. Outreach has included presentations and workshops to various student groups, including those in fraternities, residence halls and athletics. Will begin offering peer coaching sessions for students after spring break. Collaborate with groups on and off campus in an effort to make financial literacy resources and information available

**UMass Boston:** Collaborates with Academic Support Services and other academic programs to offer several "Being a Financially Healthy Student" and "Renew Your FAFSA" workshops. Supports the Financial Wellness Center, under Student Affairs, which is led by Financial Peer Educators who are trained to provide students with resources to help set financial goals and manage budget and spending habits.

**UMass Dartmouth:** Financial Aid Street Team (FAST) continues to increase offerings for peer-based financial literacy. These opportunities include: "Pier-Pier Year" - FAST collaborates with the Frederick Douglass Unity House to provide support for students completing the FAFSA in November. Students participate in the game "Payback", which simulates financial decisions through college and how those decisions affect their ability to repay loans.

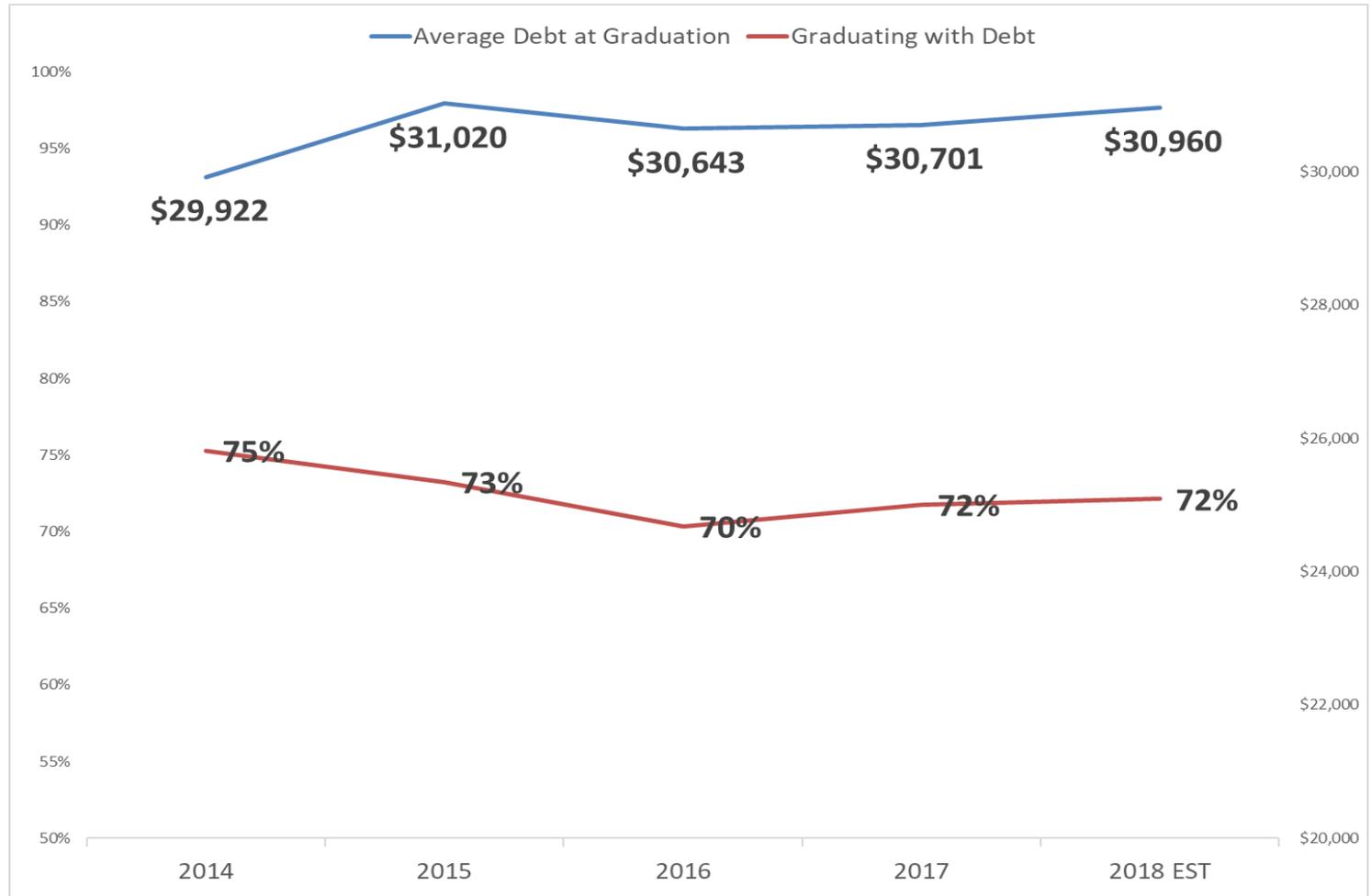
**UMass Lowell:** Money Management Mentor program launched in Spring 2018. Peer mentors trained to facilitate financial wellness presentations and workshops across campus. New Student Financial Aid Planning Sessions – one-on-one meetings with incoming students and families to develop sustainable financial plans. Developed Online Cost Planner to help students and families budget properly for the cost of college

# Undergraduate Student Debt

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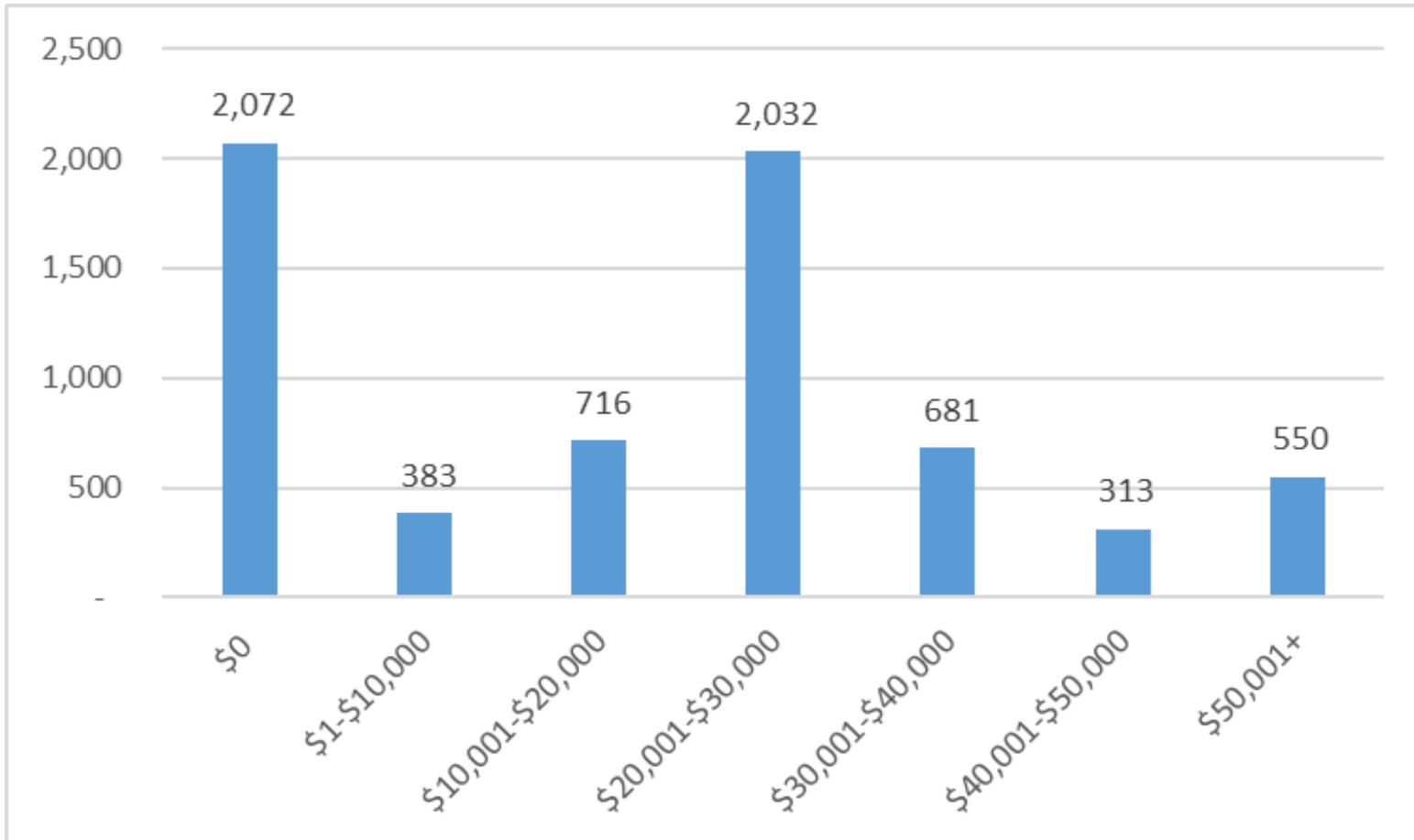
\$ = the average amount of debt at graduation for undergrads who started as first-time students and received a bachelor's degree

% = the undergrads graduating with debt



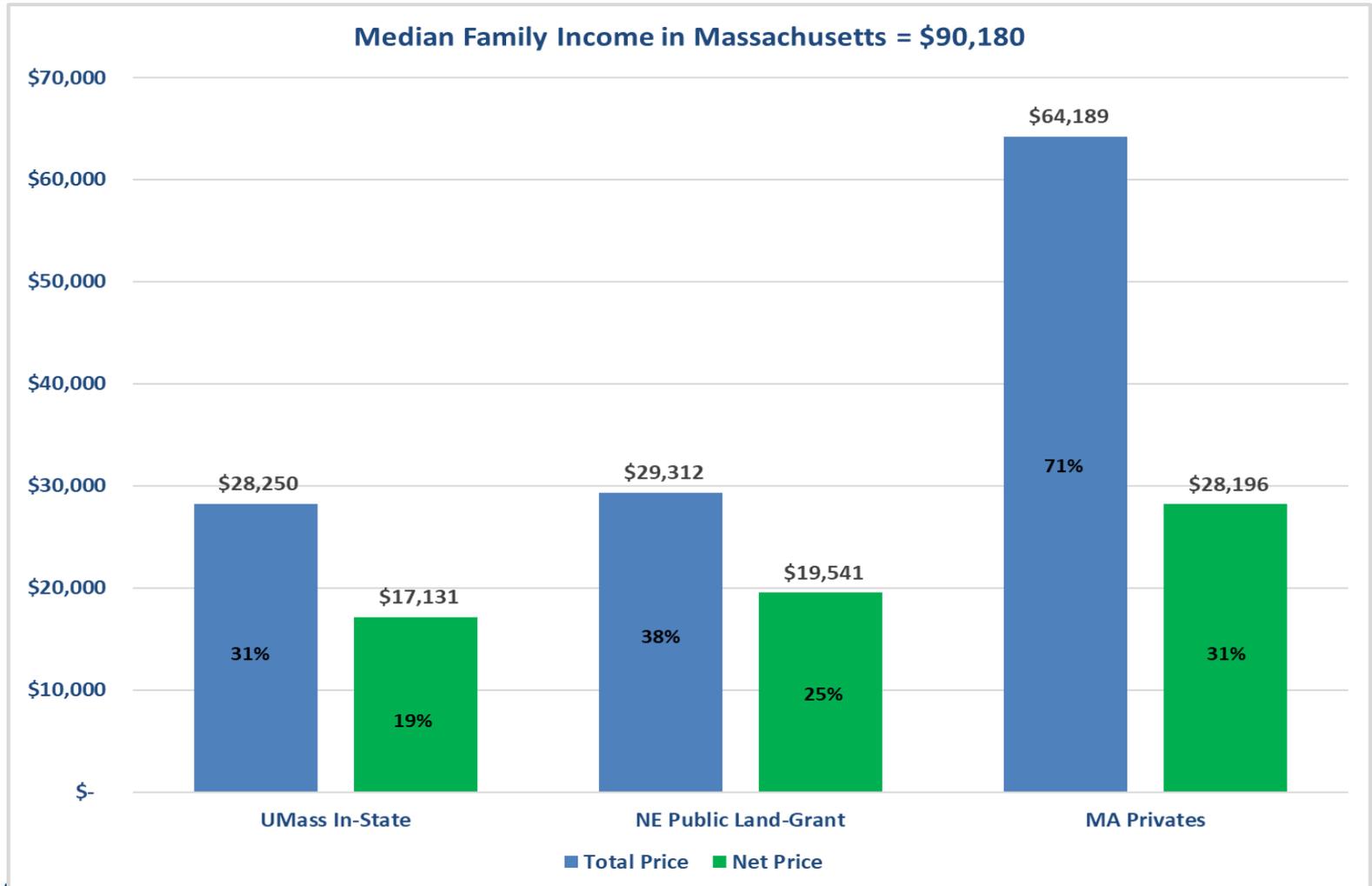
# Number of Undergraduates Graduating with Debt from Any Source –University –FY17

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- 31% of undergrads graduating with debt owe between \$25,001 - \$30,000
- 44% of undergrads graduate with no debt

# How we compare....



# Key Takeaways

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- ***UMass Investment in Student Financial Aid Continues to Grow***
  - University funded aid totaled \$316.3M in FY17 which represents 10% growth over FY16
- ***UMass Net Price Below Peers***
  - In FY17 the net price is \$17,131 vs. other public universities average net price is \$19,541. Average net price for Massachusetts private institutions is \$28,196.
- ***Student Debt Remains Consistent with Prior Years***
  - The average amount of debt at Graduation for FY17 is \$30,701 which was a negligible increase from FY16.
  - Financial literacy education are essential programs for the University to provide students with in order to make decisions about their college costs



# FY2018 Financial Aid Report

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**APPENDIX**



# Campus Specific Data

# Amherst

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○ FY 17 Average Financial Aid Package (In-State Undergrads with Need):

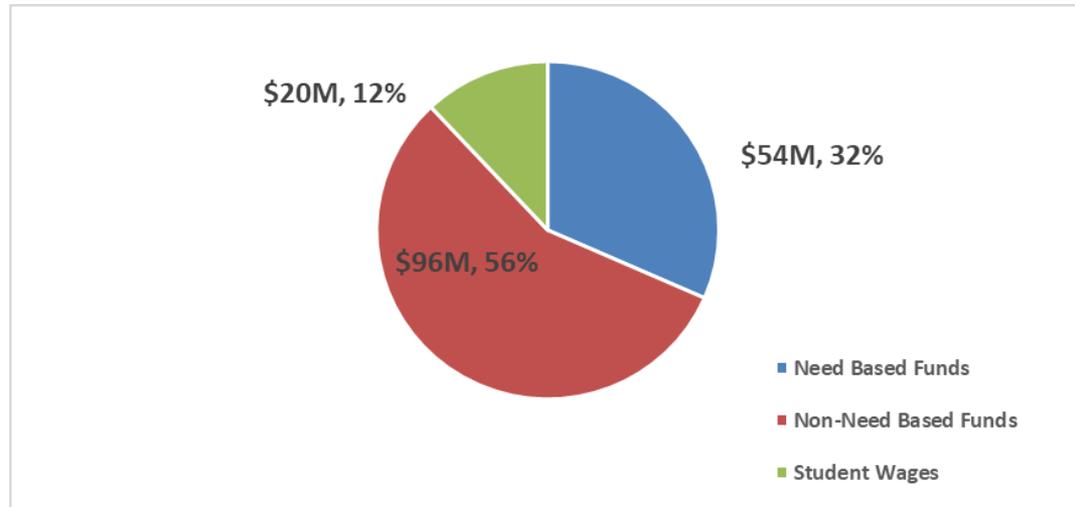
Number of Financial Aid Applicants With Need	Number of Applicants Determined to Have Need & Receive Aid	Average Federal Income	Average Expected Family Contribution (EFC)	Average Need	Average Financial Aid Package	Average Unmet Need	Average Grant Award	Average Loan Award	Average Work Award
10,556	10,440	\$ 77,613	\$ 8,964	\$19,242	\$ 16,513	\$ 2,729	51%	42%	7%

**Average Percentage of Need Met:  
86.8%**

% Graduating with debt and debt amount (\$):

<b>2016 -2017 ACTUAL</b>
<b>68%</b>
<b>\$ 31,860</b>

○ Institutional Aid: FY17 = \$171 million



# Boston

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○ FY 17 Average Financial Aid Package (In-State Undergrads with Need):

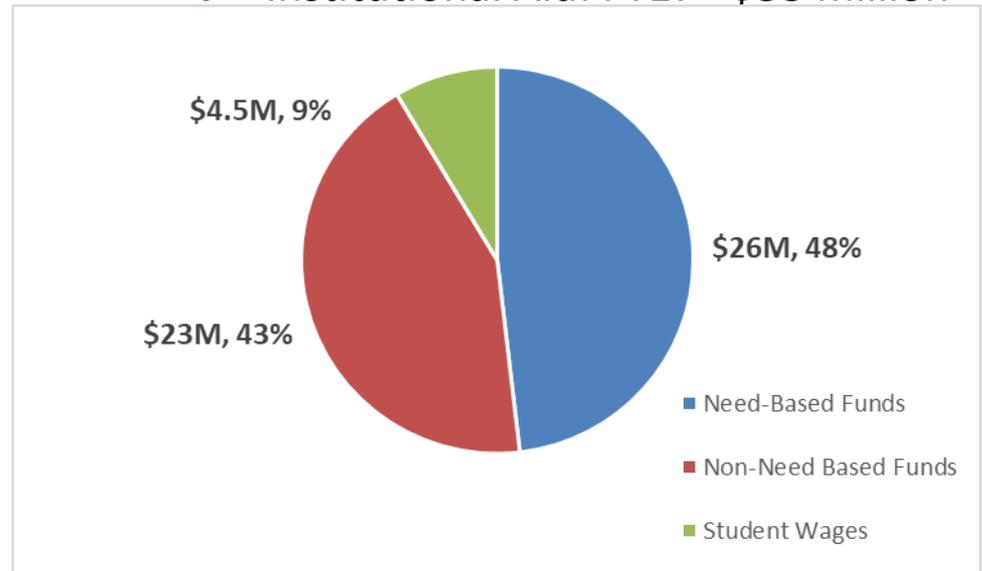
Number of Financial Aid Applicants with Need	Number of Applicants Determined to Have Need & Receive Aid	Average Federal Income	Average Expected Family Contribution (EFC)	Average Need	Average Financial Aid Package	Average Unmet Need	Average Grant Award	Average Loan Award	Average Work Award
7,177	7,177	\$ 41,099	\$ 3,632	\$ 16,923	\$ 14,527	\$ 2,396	45%	37%	19%

**Average Percentage of Need Met:  
87%**

% Graduating with debt and debt amount (\$):

2016 -2017 ACTUAL
59%
\$ 27,109

○ Institutional Aid: FY17 = \$53 million



Institutional Aid figures include Undergraduates and Graduate student aid

# Dartmouth

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○ FY 17 Average Financial Aid Package (In-State Undergrads with Need):

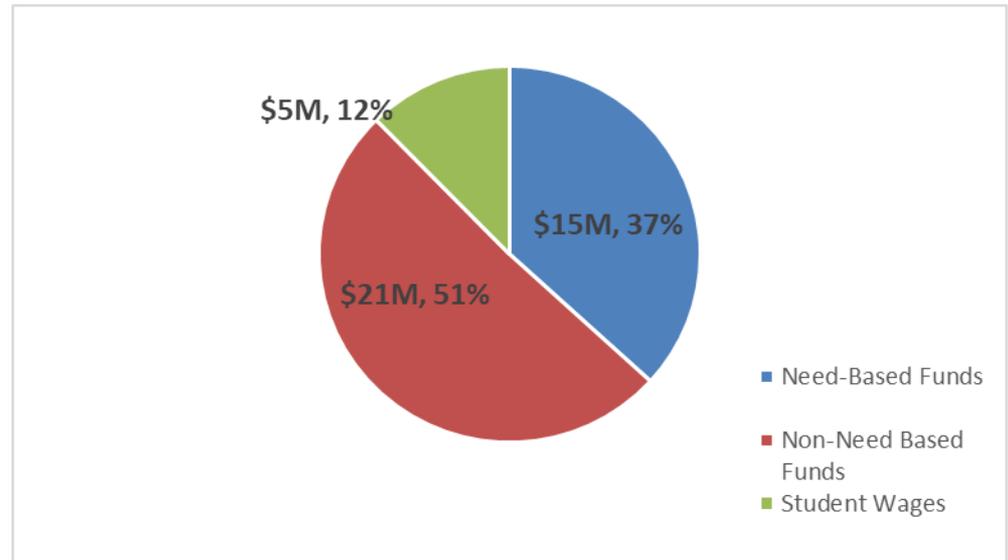
Number of Financial Aid Applicants with Need	Number of Applicants Determined to Have Need & Receive Aid	Average Federal Income	Average Expected Family Contribution (EFC)	Average Need of Recipients	Average Financial Aid Package	Average Unmet Need	Average Grant Award	Average Loan Award	Average Work Award
5,266	4,453	58,490	6,004	\$ 19,381	\$15,860	\$ 3,521	26%	64%	10%

**Average Percentage of Need Met:  
82.5%**

% Graduating with debt and debt amount (\$):

<b>2016 -2017 ACTUAL</b>
<b>95%</b>
<b>\$ 28,610</b>

○ Institutional Aid: FY17 = \$42 million



# Lowell

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- FY 17 Average Financial Aid Package (In-State Undergrads with Need):

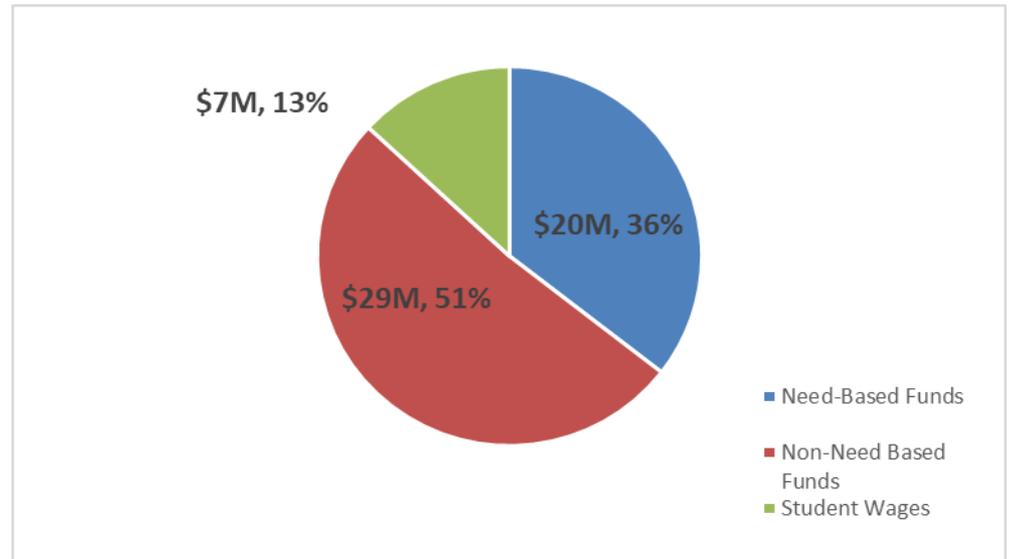
Number of Financial Aid Applicants with Need	Number of Applicants Determined to Have Need & Receive Aid	Average Federal Income	Average Expected Family Contribution (EFC)	Average Need of Recipients	Average Financial Aid Package	Average Unmet Need	Average Grant Award	Average Loan Award	Average Work Award
6,165	6,165	\$61,054	\$ 6,197	\$ 16,493	\$ 14,483	\$ 2,010	44%	40%	16%

**Average Percentage of Need Met:  
89%**

% Graduating with debt and debt amount (\$):

<b>2016 -2017 ACTUAL</b>
<b>78%</b>
<b>\$ 32,744</b>

- Institutional Aid: FY17 = \$56 million



# Medical School

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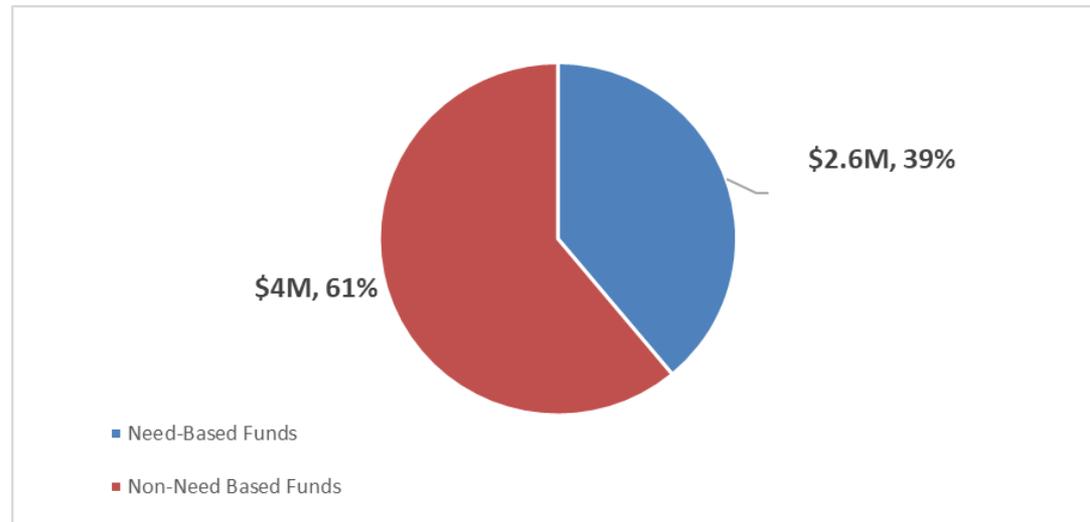
- FY 17 Average Financial Aid Package (In-State Graduates with Need):

Number of Financial Aid Applicants with Need	Number of Applicants Determined to Have Need & Receive Aid	Average Federal Income	Average Expected Family Contribution (EFC)	Average Need of Recipients	Average Financial Aid Package	Average Unmet Need	Average Grant Award	Average Loan Award	Average Work Award
512	505	\$ 25,493	\$28,129	\$ 52,897	\$43,200	\$11,476	14%	86%	0%

- Institutional Aid: FY17 = \$7 million

% Graduating with debt and debt amount (\$):

2016 -2017 ACTUAL
63%
\$ 115,986



# Thank You

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