

# FY20 Financial Aid Report

Board of Trustees

Administration & Finance Committee



University of Massachusetts

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# Agenda

- Financial Aid Overview & Highlights
- University Funded Financial Aid
- Student Financial Aid Packages : In-State Undergraduates
- Student Debt
- Net Price
- Appendix – Campus Specific Metrics

# Highlights

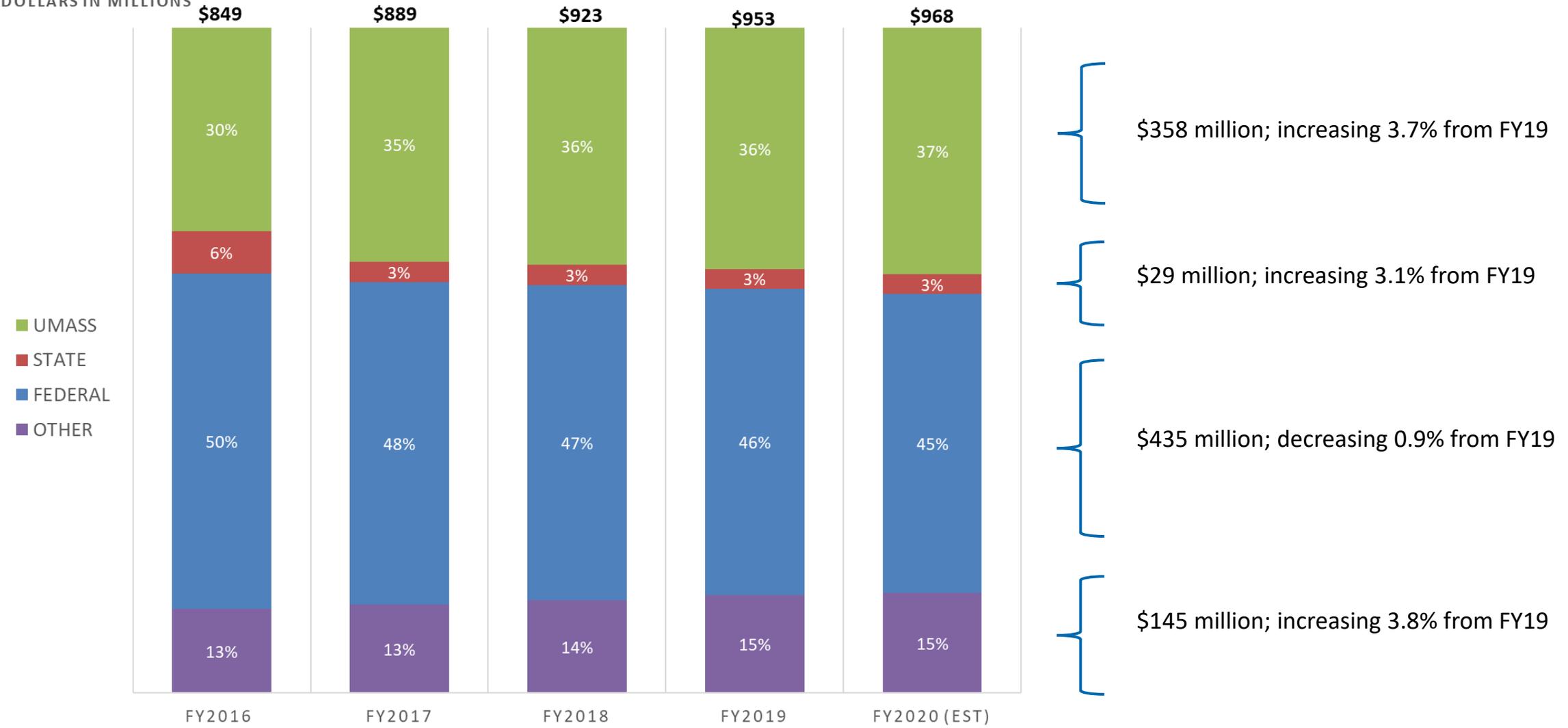
- FY20 total financial aid from all sources funds projected to increase 2% to \$968 million
- University Funded Aid is funded from tuition revenue
  - Totaled \$358 million in FY20 which represents 3.7% growth over FY19
  - Represents 37% of the total aid and is primarily scholarships and grants
- Federal aid, representing 45% of total aid, projected to decrease 0.9% FY20 driven by projected decrease of subsidized student loan awards
- State Aid represents 3% of total aid and projected to increase 3.1% in FY20 driven by need based scholarships
- Other Aid represents 15% of total aid and projected to increase 3.8% in FY20 driven by private education loans

# Sources and Categories of Financial Aid Defined

- Financial Aid is funded by several sources including:
  - Federal government
  - State
  - University (i.e. Tuition Revenue)
  - Private Non-Profits, Banks, and Financial Institutions
- Financial Aid falls into 2 categories:
  - Need Based Financial Aid –Awarded when a student demonstrates financial need based on completing the Free Application for Federal Student Aid (FAFSA)
  - Non-Need Based Financial Aid- Awarded when a student meets certain eligibility requirements other than financial need (note: while this category is not constrained to students demonstrated need, awards are made that address need)

# Largest Sources of Financial Aid are Federal and University

DOLLARS IN MILLIONS



# University Funded Financial Aid



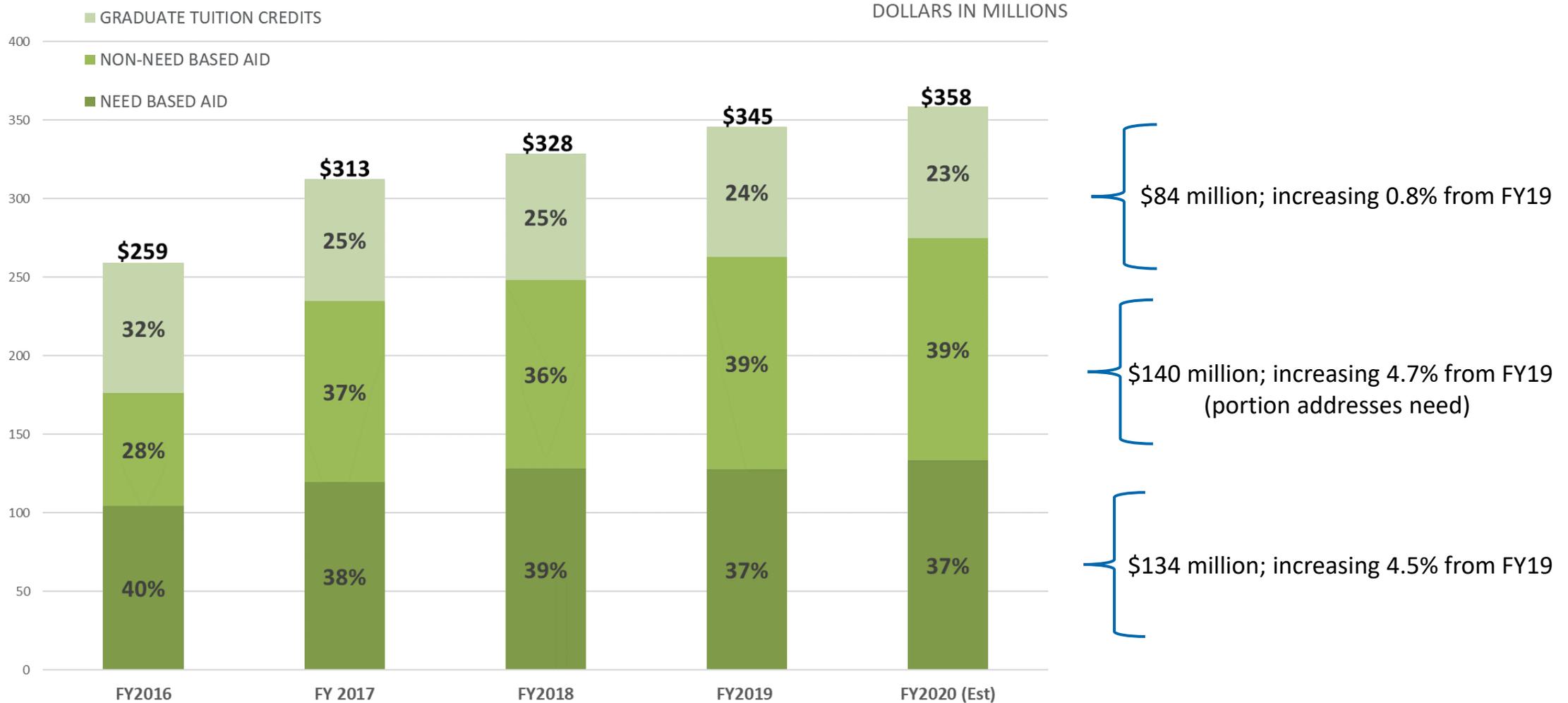
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# University Financial Aid is funded from Tuition Revenue

- The source of funding for financial aid on each campus is tuition revenue
- Both historically and currently, the majority of University funded aid is “free” aid provided by scholarships, grants, and tuition credits
- 94% of University funded need based aid goes to in-state students
- University aid is designed by the campuses to address strategies that:
  - Impact affordability for students with need
  - Recruit new students
  - Retain continuing students
  - Address degree completion requirements

# Total University Funded Financial Aid Categories

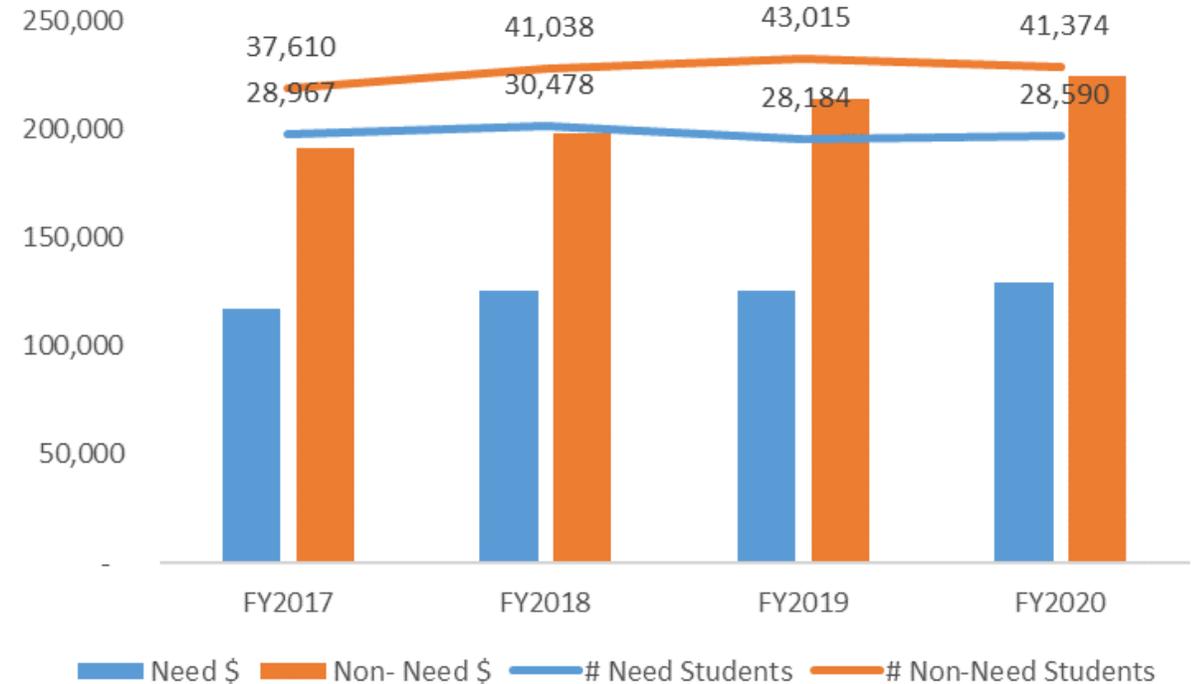


# University Aid Summary

*\$ in Thousands*

	FY2017	FY2018	FY2019	FY2020
<b>Total Need Aid (\$)</b>	\$116,798	\$125,498	\$125,385	\$129,363
<b>Total Students w/ Need Aid (HC)</b>	28,967	30,478	28,184	28,590
<b>Total Need Programs (#)</b>	117	117	121	120
<b>Total Non-Need Aid (\$) <sup>1</sup></b>	\$190,743	\$197,548	\$213,623	\$224,195
<b>Total Students w/ Non-Need Aid (HC)</b>	37,610	41,038	43,015	41,374
<b>Total Non-Need Programs (#)</b>	787	796	831	770
<b>Total University Aid (\$) <sup>2</sup></b>	\$307,541	\$323,047	\$339,008	\$353,558

*\$ in Thousands*



# Student Financial Aid Packages

## *In-State Undergraduates*



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# Average Financial Aid Package: In-State Undergraduates with Need

Federal Income Range	Average Financial Aid Package	Composition of Average Financial Aid Package			Average Unmet Need
		Grant Award	Loan Award	Work Award	
Less than \$30,000	\$ 20,352	53%	36%	11%	\$ 4,733
\$30,000 - \$40,000	\$ 19,858	55%	35%	11%	\$ 4,272
\$40,001 - \$50,000	\$ 19,476	54%	36%	11%	\$ 3,982
\$50,001 - \$75,000	\$ 17,375	48%	40%	12%	\$ 3,623
\$75,001 - \$100,000	\$ 13,910	41%	46%	14%	\$ 2,780
Greater than \$100,000	\$ 8,995	33%	51%	16%	\$ 1,316

- Average campus Financial Aid package looks at costs of attendance (tuition, mandatory fees, housing, etc.) net of the Expected Family Contribution
- A Financial Aid Package may contain grants, loans, and work study to defray the cost of attendance
- Unmet need represents the difference between a student's financial aid award, their expected family contribution, and their cost of attendance

# Student Debt



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# Undergraduate Student Debt

## Undergraduate Graduating Class : University

Year	Total Class(1)	Cohort Students(2)	% Graduating w/ Debt(3)	6 Year COA(4)	Cohort Avg Debt at Graduation(5)
2018 - 2019	13,157	7,027	66%	\$163,924	\$31,402
2017 - 2018	13,091	7,141	71%	\$156,044	\$31,095
2016 - 2017	12,754	6,755	71%	\$152,485	\$31,045
2015 - 2016	12,125	6,452	70%	\$150,645	\$30,932

(1) Student Profile Table 15: Bachelor's Degrees Conferred

(2) Defined by undergraduate class who began at the University as first-time students and received a bachelor's degree during that academic year; excludes students who transferred, loans borrowed at other schools, and parent loans

(3) The percentage of the cohort class defined previously graduating with any student debt

(4) Calculated a six-year total cost of attendance based on the campuses reported cost of attendance from four years prior

(5) Average amount of debt at graduation for the defined cohort including student loan debt from any program: federal, state, or private.

## Undergraduate Graduating Class : Amherst

Year	% Graduating w/ Debt(3)	Cohort Avg Debt at Graduation(5)
2018 - 2019	62%	\$31,755
2017 - 2018	67%	\$31,897
2016 - 2017	68%	\$31,714
2015 - 2016	67%	\$31,397

## Undergraduate Graduating Class : Boston

Year	% Graduating w/ Debt(3)	Cohort Avg Debt at Graduation(5)
2018 - 2019	54%	\$25,645
2017 - 2018	59%	\$27,109
2016 - 2017	59%	\$26,776
2015 - 2016	63%	\$27,142

## Undergraduate Graduating Class : Dartmouth

Year	% Graduating w/ Debt(3)	Cohort Avg Debt at Graduation(5)
2018 - 2019	84%	\$34,824
2017 - 2018	94%	\$29,070
2016 - 2017	95%	\$28,610
2015 - 2016	78%	\$32,099

## Undergraduate Graduating Class : Lowell

Year	% Graduating w/ Debt(3)	Cohort Avg Debt at Graduation(5)
2018 - 2019	74%	\$32,317
2017 - 2018	77%	\$32,178
2016 - 2017	78%	\$32,744
2015 - 2016	78%	\$31,432

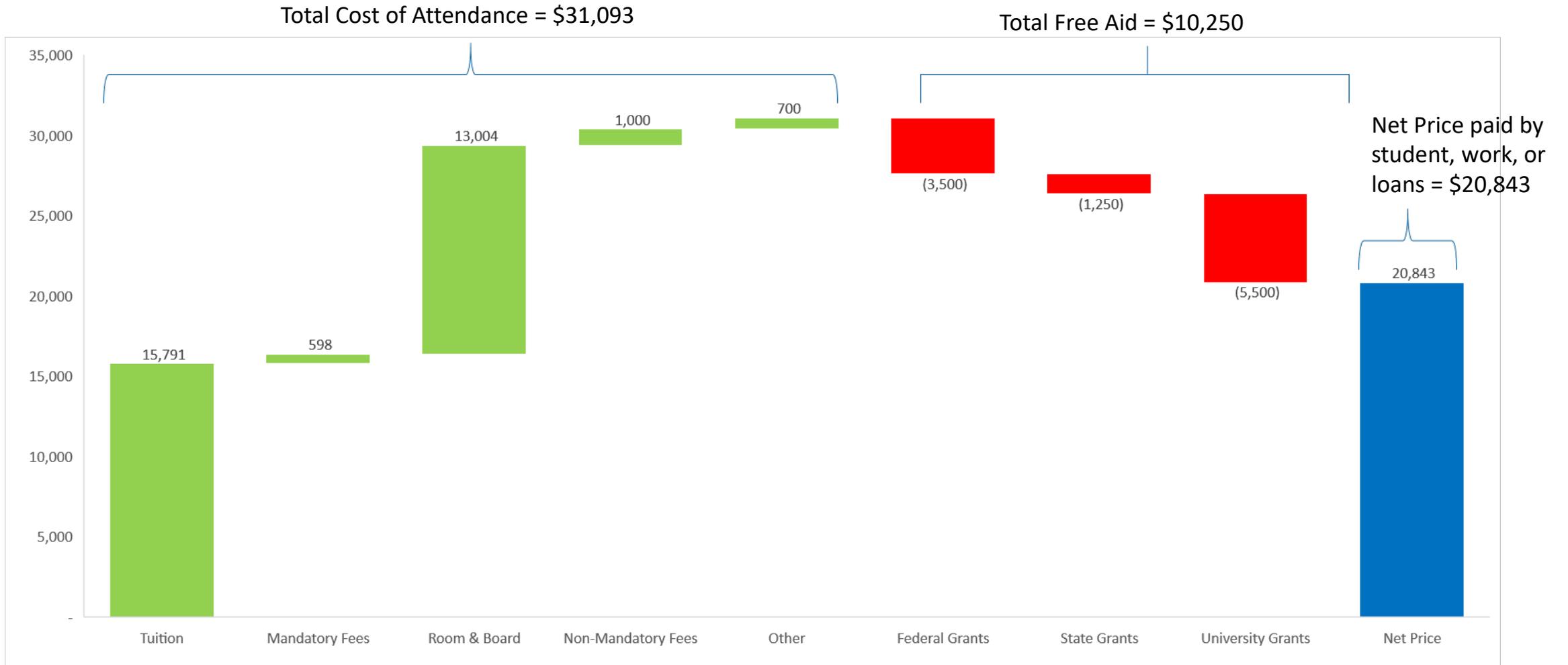
# Net Price



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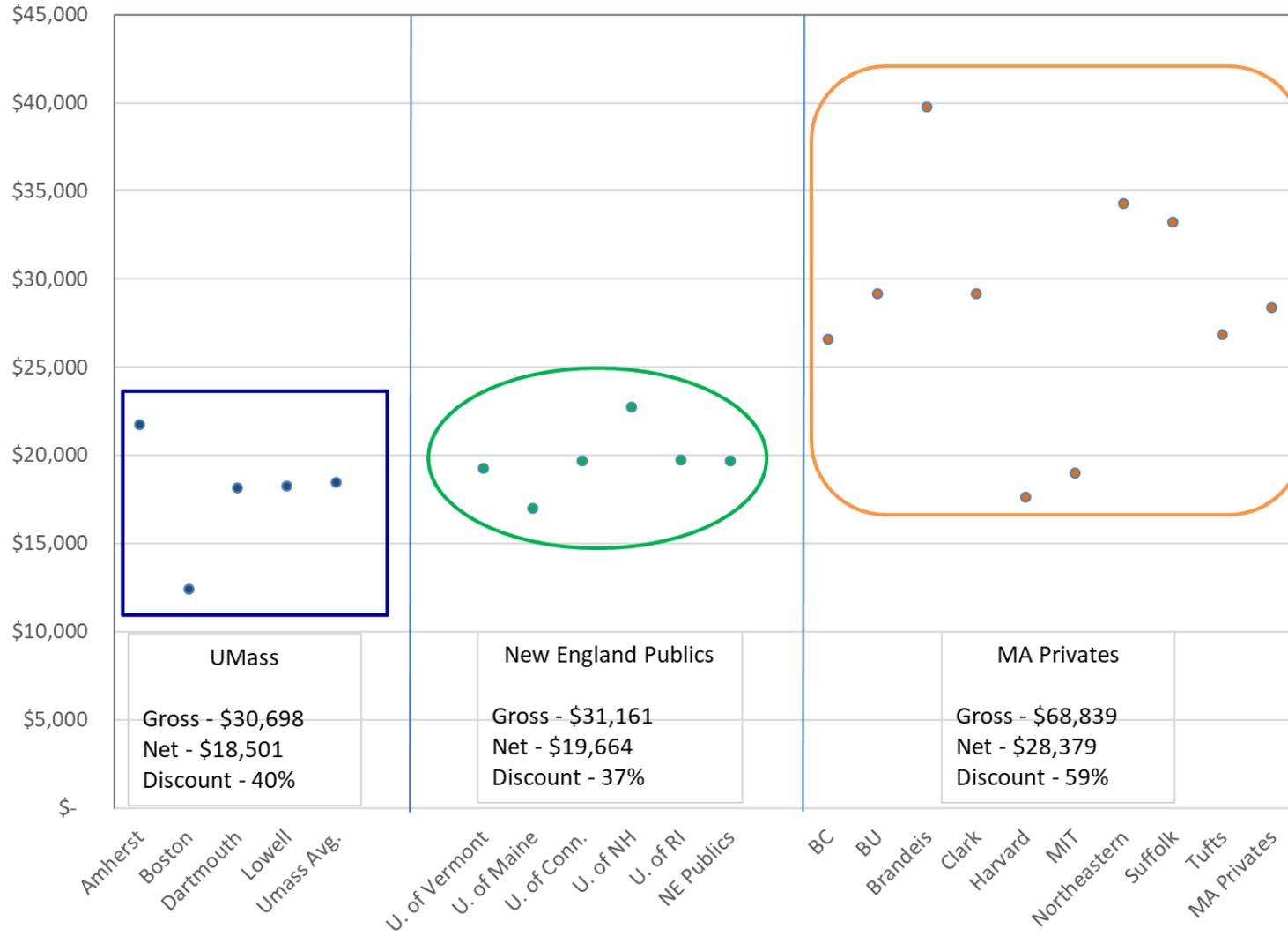
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# Defining Net Price



Note: Scenario utilizing FY20 Amherst Cost of Attendance and Free Aid Estimates; actual figures would vary based on individual situations.

# FY18 Net Price Regional Comparison



Note: Net Price is calculated from IPEDS data and based on First-time/Full Time In-State Undergraduates receiving grant or scholarship  
 \*FY18 is most recent available data at this date; pending availability of FY19 data through IPEDS reporting data

# Key Takeaways

- ***UMass Investments in Student Financial Aid Continues to Grow***
  - University funded aid totaled \$357 million in FY20 which represents 3.7% growth over FY19
- ***UMass Net Price Below Peers***
  - In FY18, the latest published data, the net price is \$18,501 vs. other public universities average net price is \$19,664. Average net price for Massachusetts private institutions is \$28,379.
- ***Student Debt Remains Consistent with Prior Years***
  - The average amount of debt at graduation for FY19 is \$31,572
  - Financial literacy education and strategies for student retention and graduation will help address student debt

# FY20 Financial Aid Report Appendix

Board of Trustees

Administration & Finance Committee

April 1, 2020



University of Massachusetts

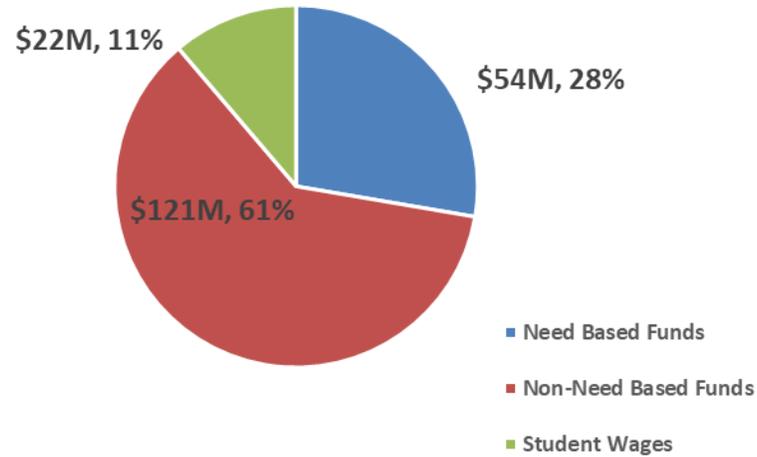
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## Financial Aid Supports Recruitment, Retention, Graduation Strategies

- Increasing need-based scholarships at Amherst to close the gap for incoming in-state students
- UMass Boston sought innovative grant solutions to help retain and graduate students. The Retention Grant and GRAD Last Mile, a partnership with the City of Boston, programs both proved successful and they look forward to expanding the programs moving forward. UMass Boston also created Financial Planning Worksheets to help incoming families prepare for the cost of their education
- Enrollment, Student Success, & Financial Aid created new programs at Dartmouth to assist academically successful but financially struggling students reach graduation
- Analytical tools (EAB) to optimize Financial Aid dollars at Lowell and improve revenue and yield outcomes underway
- One-on-one financial planning sessions offered by Financial Aid professionals system-wide

# Amherst

- Campus Funded Aid : FY19 = \$198 million



- FY19 Average Financial Aid Package – Instate Undergraduates with Need and all types of aid (Grant/loan/work)

Average Financial Aid Package	Average Unmet Need	Average Grant Award	Average Loan Award	Average Work Award
\$ 17,454	\$ 3,984	51%	40%	9%

- UG In-State Student Net Price

## 2017-2018

<b>Total Price</b>	\$30,913
<b>Net Price</b>	\$21,740

- Student Debt

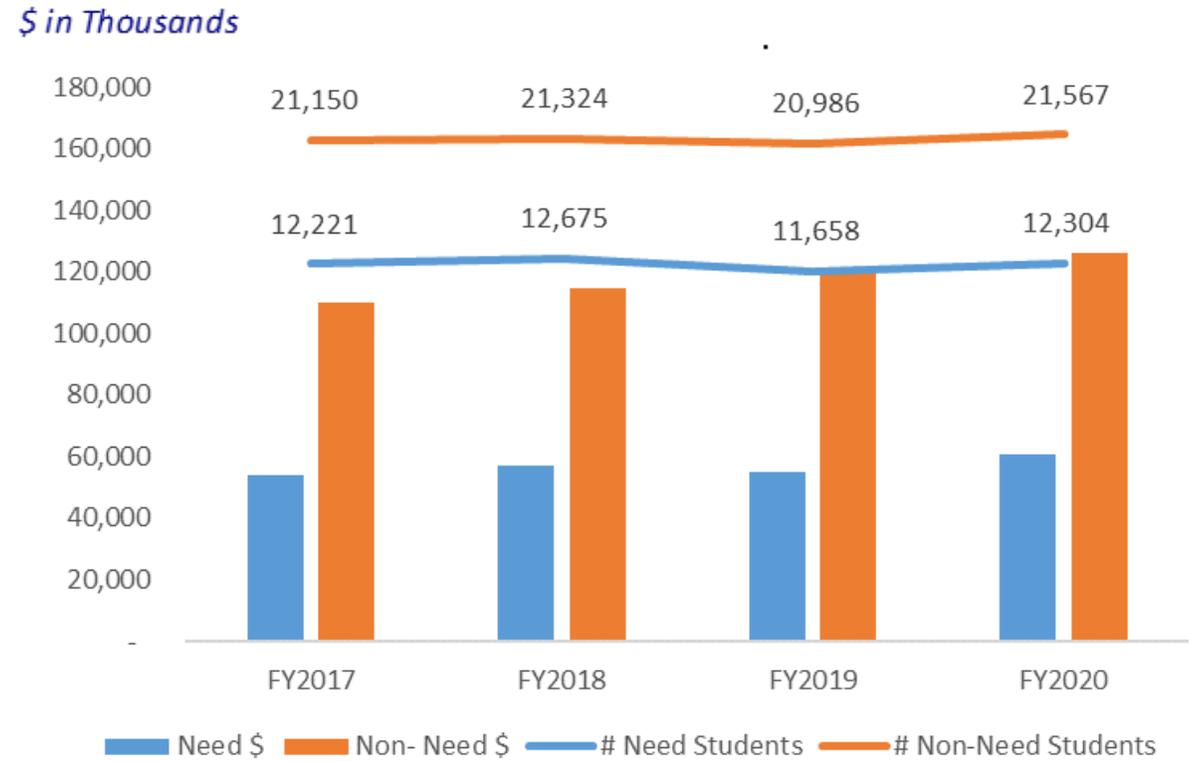
### Undergraduate Graduating Class : Amherst

Year	% Graduating w/ Debt(3)	Cohort Avg Debt at Graduation(5)
2018 - 2019	62%	\$31,755
2017 - 2018	67%	\$31,897
2016 - 2017	68%	\$31,714
2015 - 2016	67%	\$31,397

# Amherst – Campus Funded Aid Summary

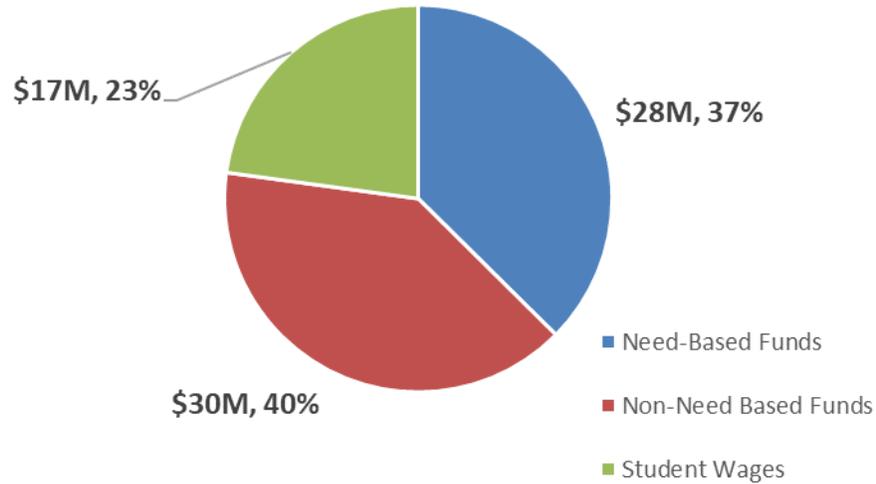
*\$ in Thousands*

	FY2017	FY2018	FY2019	FY2020
<b>Total Need Aid (\$)</b>	\$53,978	\$56,993	\$54,855	\$60,552
<b>Total Students w/ Need Aid (HC)</b>	12,221	12,675	11,658	12,304
<b>Total Need Programs (#)</b>	6	6	6	6
<b>Total Non-Need Aid (\$)<sup>1</sup></b>	\$109,862	\$114,734	\$121,019	\$126,353
<b>Total Students w/ Non-Need Aid (HC)</b>	21,150	21,324	20,986	21,567
<b>Total Non-Need Programs (#)</b>	34	34	34	34
<b>Total Aid (\$)<sup>2</sup></b>	\$163,841	\$171,727	\$175,874	\$186,905



# Boston

- Campus Funded Aid : FY19 = \$76 million



- FY19 Average Financial Aid Package – Instate Undergraduates with Need and all types of aid (Grant/loan/work)

Average Financial Aid Package	Average Unmet Need	Average Grant Award	Average Loan Award	Average Work Award
\$ 15,860	\$ 3,855	46%	36%	18%

- UG In-State Student Net Price

## 2017-2018

<b>Total Price</b>	\$30,691
<b>Net Price</b>	\$12,412

Note: UMB FY18 Net Price does not include cost of residence halls or meal plans

- Student Debt

### Undergraduate Graduating Class : Boston

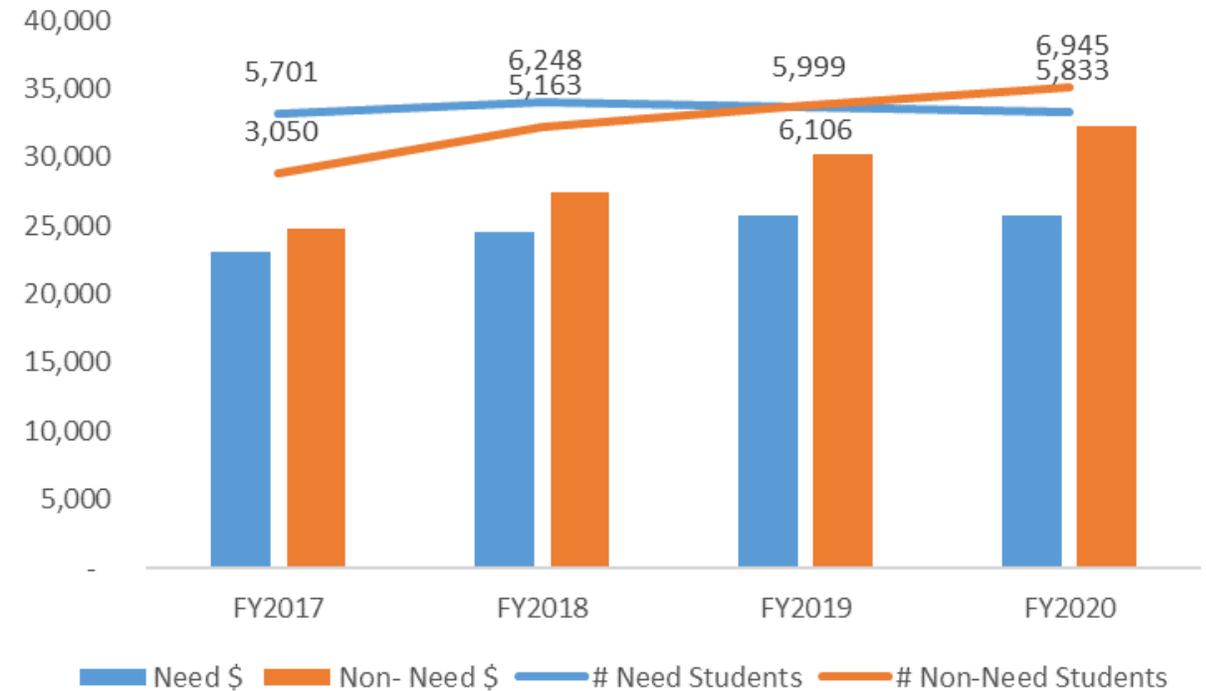
Year	% Graduating w/ Debt(3)	Cohort Avg Debt at Graduation(5)
2018 - 2019	54%	\$25,645
2017 - 2018	59%	\$27,109
2016 - 2017	59%	\$26,776
2015 - 2016	63%	\$27,142

# Boston – Campus Funded Aid Summary

*\$ in Thousands*

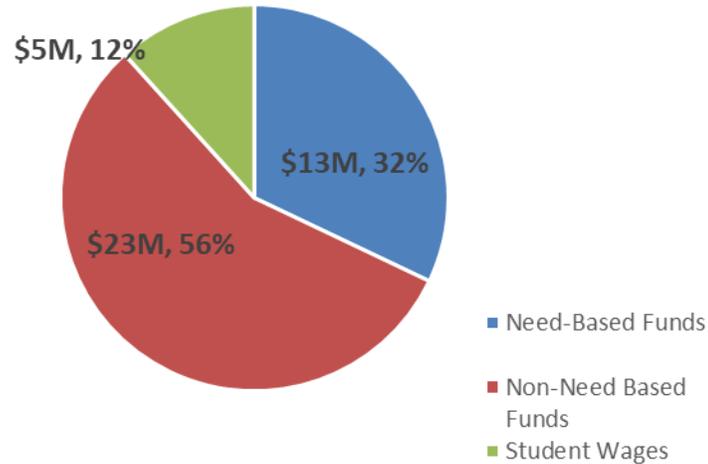
	FY2017	FY2018	FY2019	FY2020
<b>Total Need Aid (\$)</b>	\$23,067	\$24,524	\$25,794	\$25,725
<b>Total Students w/ Need Aid (HC)</b>	5,701	6,248	5,999	5,833
<b>Total Need Programs (#)</b>	6	6	6	6
<b>Total Non-Need Aid (\$)<sup>1</sup></b>	\$24,828	\$27,466	\$30,174	\$32,300
<b>Total Students w/ Non-Need Aid (HC)</b>	3,050	5,163	6,106	6,945
<b>Total Non-Need Programs (#)</b>	152	160	195	133
<b>Total Aid (\$)<sup>2</sup></b>	\$47,895	\$51,990	\$55,968	\$58,025

*\$ in Thousands*



# Dartmouth

- Campus Funded Aid : FY19 = \$42 million



- FY19 Average Financial Aid Package – Instate Undergraduates with Need and all types of aid (Grant/loan/work)

Average Financial Aid Package	Average Unmet Need	Average Grant Award	Average Loan Award	Average Work Award
\$17,043	\$ 3,832	50%	44%	6%

- UG In-State Student Net Price

## 2017-2018

<b>Total Price</b>	\$30,275
<b>Net Price</b>	\$18,152

- Student Debt

### Undergraduate Graduating Class : Dartmouth

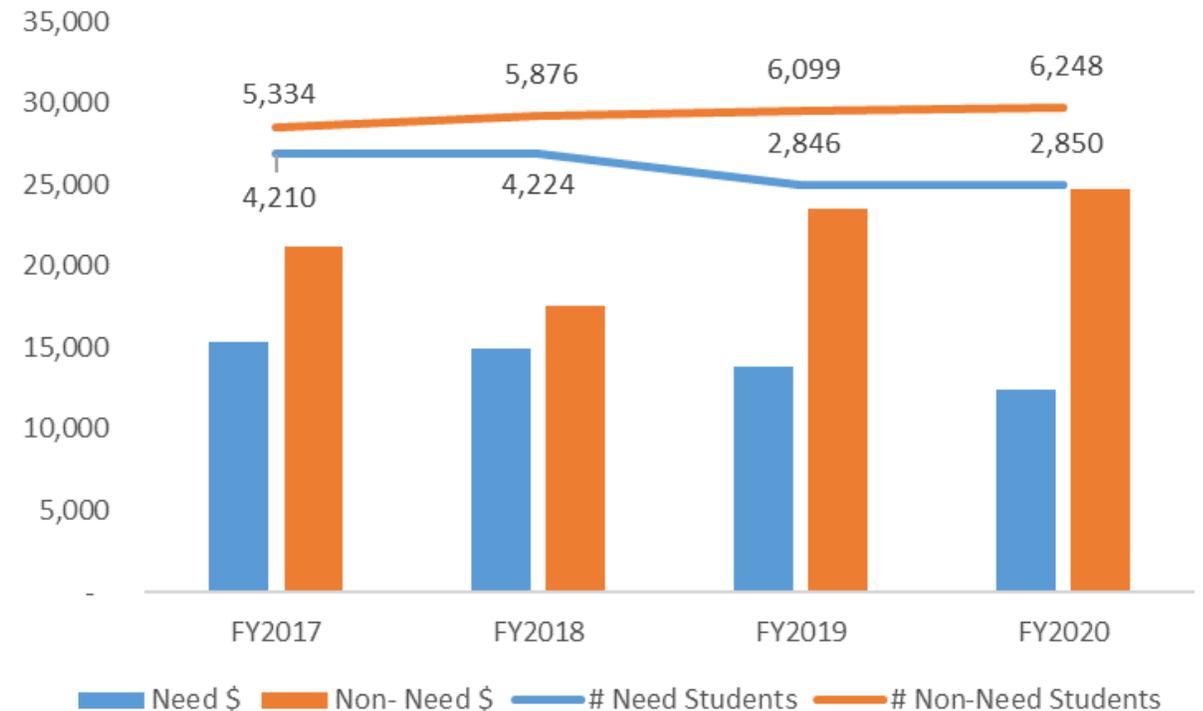
Year	% Graduating w/ Debt(3)	Cohort Avg Debt at Graduation(5)
2018 - 2019	84%	\$34,824
2017 - 2018	94%	\$29,070
2016 - 2017	95%	\$28,610
2015 - 2016	78%	\$32,099

# Dartmouth – Campus Funded Aid Summary

*\$ in Thousands*

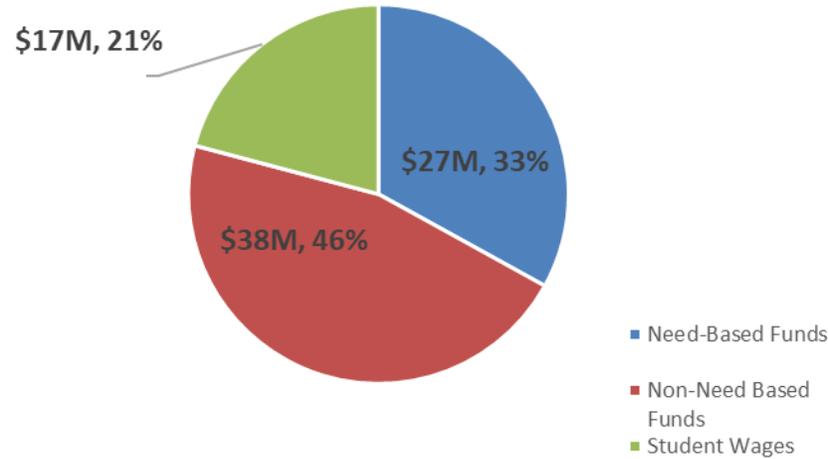
	FY2017	FY2018	FY2019	FY2020
<b>Total Need Aid (\$)</b>	\$15,310	\$14,982	\$13,842	\$12,454
<b>Total Students w/ Need Aid (HC)</b>	4,210	4,224	2,846	2,850
<b>Total Need Programs (#)</b>	5	5	8	8
<b>Total Non-Need Aid (\$) <sup>1</sup></b>	\$21,199	\$17,558	\$23,474	\$24,756
<b>Total Students w/ Non-Need Aid (HC)</b>	5,334	5,876	6,099	6,248
<b>Total Non-Need Programs (#)</b>	14	15	30	30
<b>Total Aid (\$) <sup>2</sup></b>	\$36,508	\$32,540	\$37,316	\$37,210

*\$ in Thousands*



# Lowell

- Campus Funded Aid : FY19 = \$83 million



- FY19 Average Financial Aid Package – Instate Undergraduates with Need and all types of aid (Grant/loan/work)

Average Financial Aid Package	Average Unmet Need	Average Grant Award	Average Loan Award	Average Work Award
\$ 15,520	\$ 2,333	46%	39%	15%

- UG In-State Student Net Price

## 2017-2018

<b>Total Price</b>	\$30,552
<b>Net Price</b>	\$18,257

- Student Debt

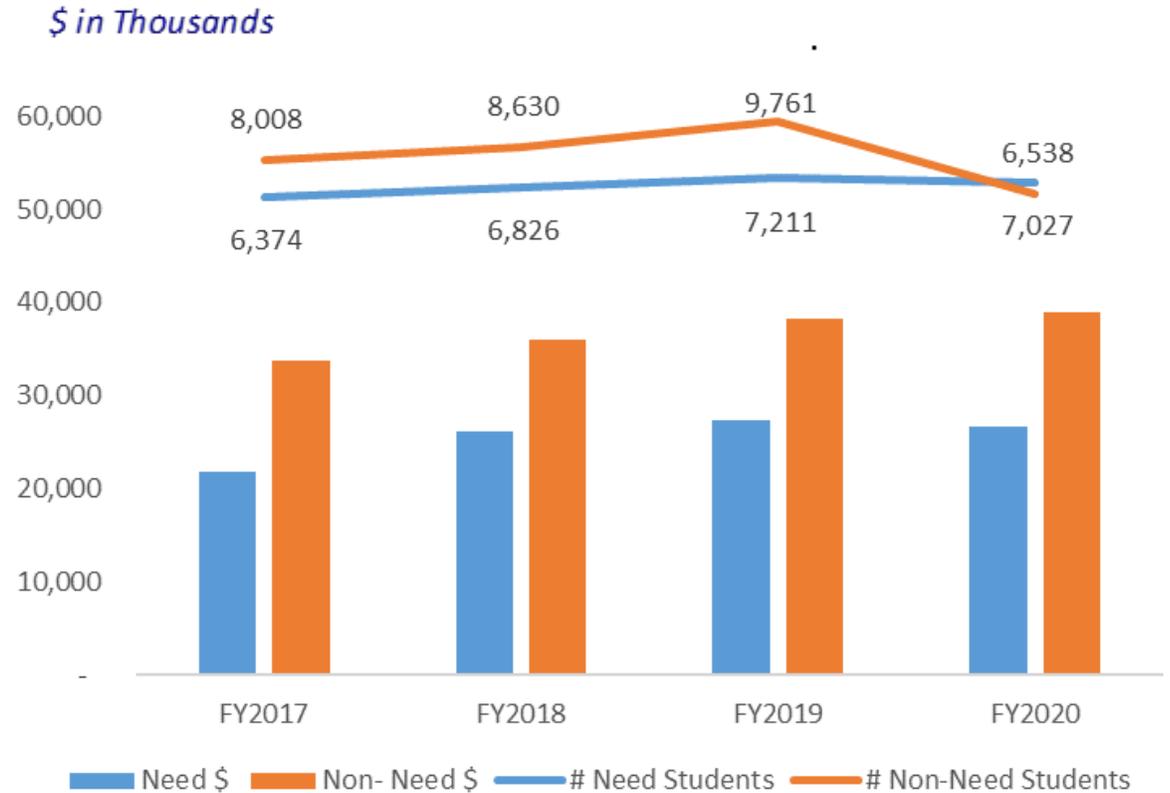
### Undergraduate Graduating Class : Lowell

Year	% Graduating w/ Debt(3)	Cohort Avg Debt at Graduation(5)
2018 - 2019	74%	\$32,317
2017 - 2018	77%	\$32,178
2016 - 2017	78%	\$32,744
2015 - 2016	78%	\$31,432

# Lowell – Campus Funded Aid Summary

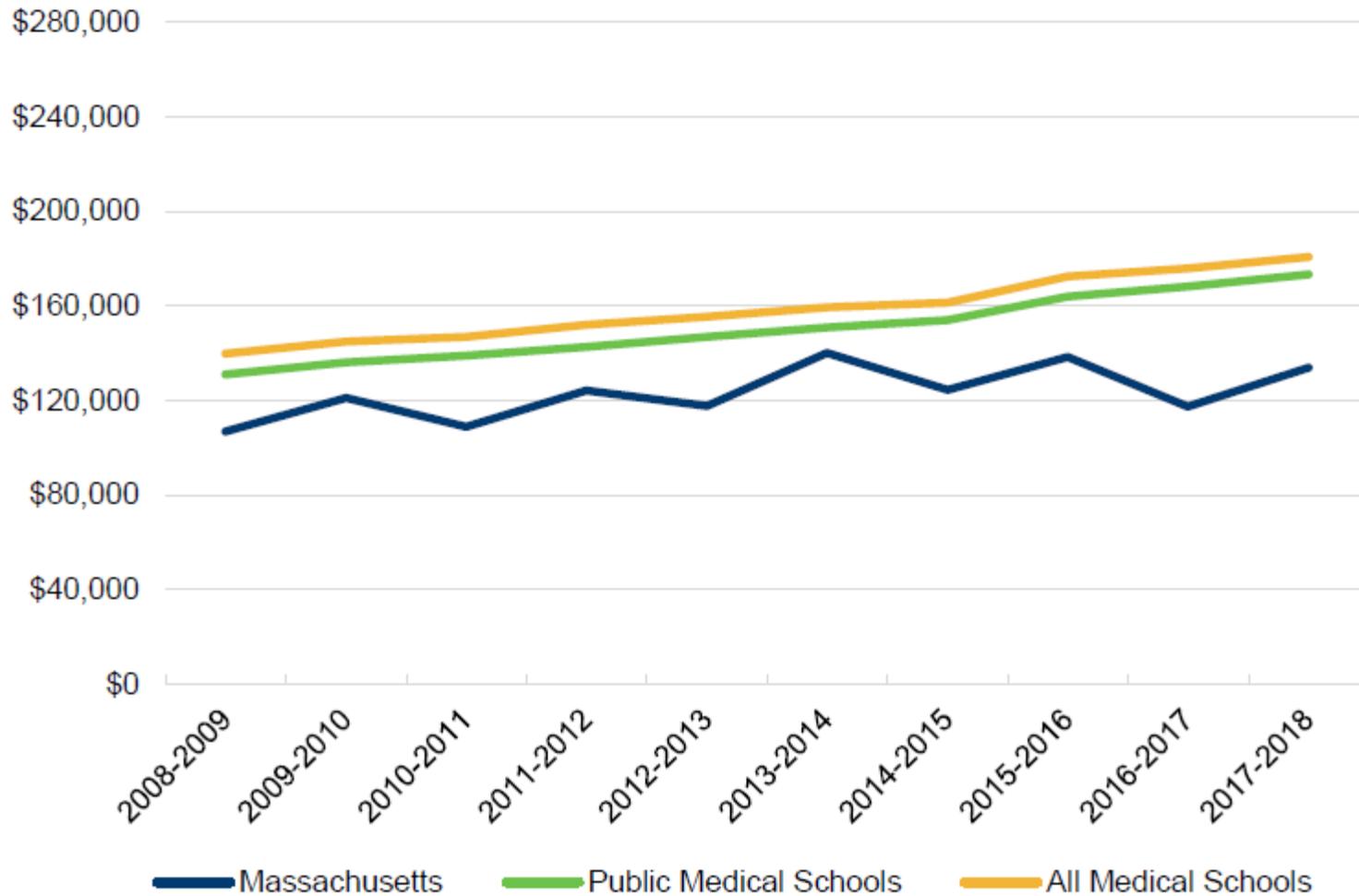
*\$ in Thousands*

	FY2017	FY2018	FY2019	FY2020
<b>Total Need Aid (\$)</b>	\$21,838	\$26,039	\$27,393	\$26,585
<b>Total Students w/ Need Aid (HC)</b>	6,374	6,826	7,211	7,027
<b>Total Need Programs (#)</b>	4	4	5	4
<b>Total Non-Need Aid (\$)<sup>1</sup></b>	\$33,714	\$35,971	\$38,204	\$38,961
<b>Total Students w/ Non-Need Aid (HC)</b>	8,008	8,630	9,761	6,538
<b>Total Non-Need Programs (#)</b>	582	582	567	568
<b>Total Aid (\$)<sup>2</sup></b>	\$55,552	\$62,010	\$65,597	\$65,546



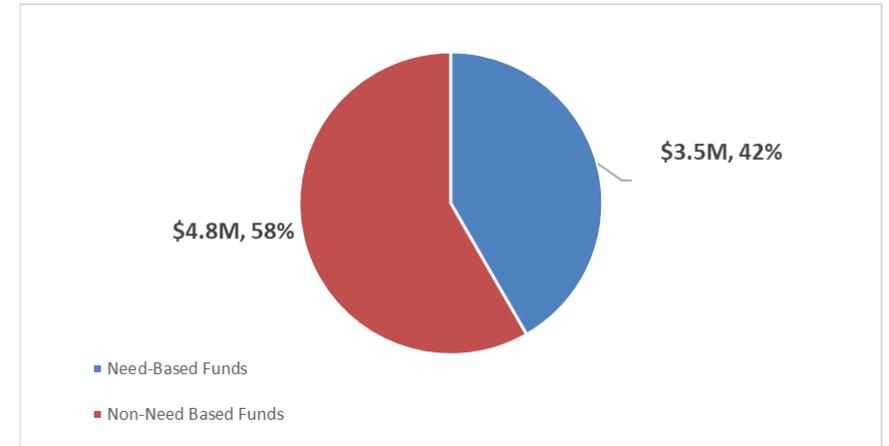
# Medical School

## Average Medical School Debt of Indebted Graduates



Percentage of Graduates with Medical School Debt	
Massachusetts	87.5%
Public Medical Schools	75.1%
All Medical Schools	73.4%

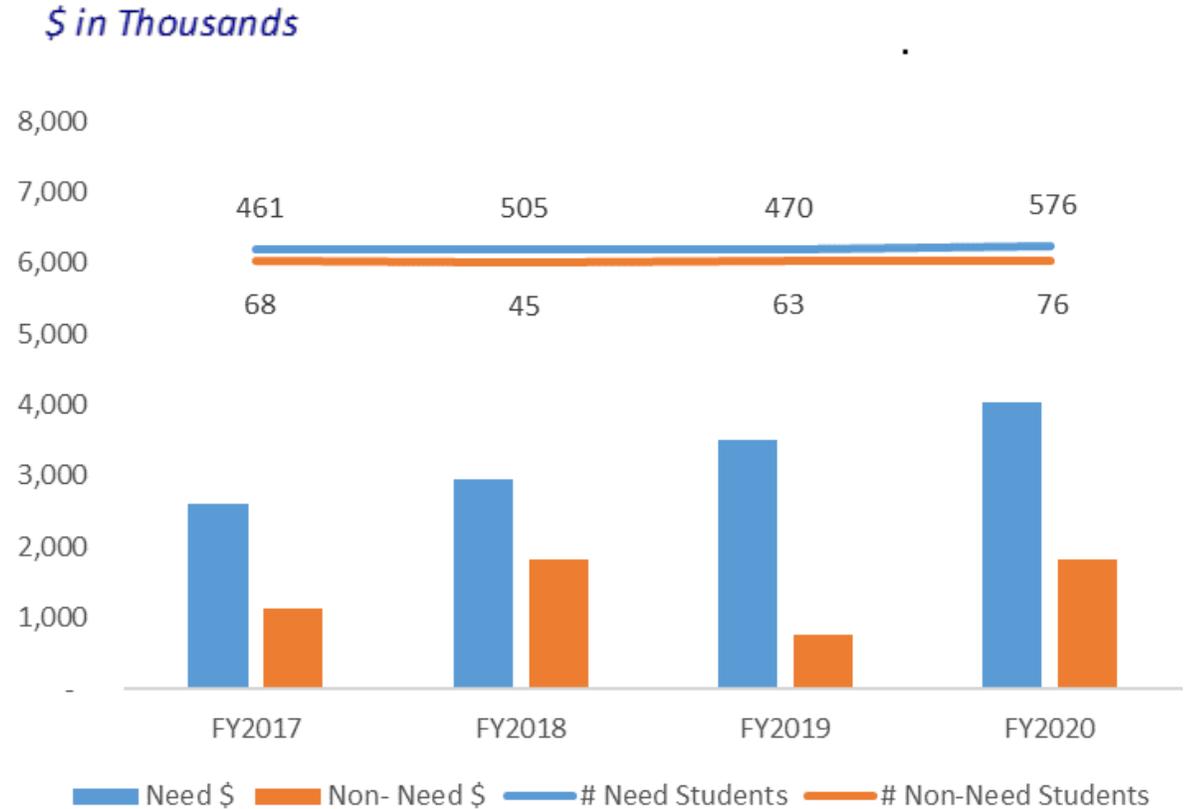
Institutional Aid : FY19 = \$8.4 million



# Medical School – Campus Funded Aid Summary

*\$ in Thousands*

	FY2017	FY2018	FY2019	FY2020
<b>Total Need Aid (\$)</b>	\$2,606	\$2,961	\$3,501	\$4,047
<b>Total Students w/ Need Aid (HC)</b>	461	505	470	576
<b>Total Need Programs (#)</b>	96	96	96	96
<b>Total Non-Need Aid (\$) 1</b>	\$1,140	\$1,819	\$752	\$1,825
<b>Total Students w/ Non-Need Aid (HC)</b>	68	45	63	76
<b>Total Non-Need Programs (#)</b>	5	5	5	5
<b>Total Aid (\$) 2</b>	\$3,746	\$4,779	\$4,253	\$5,872

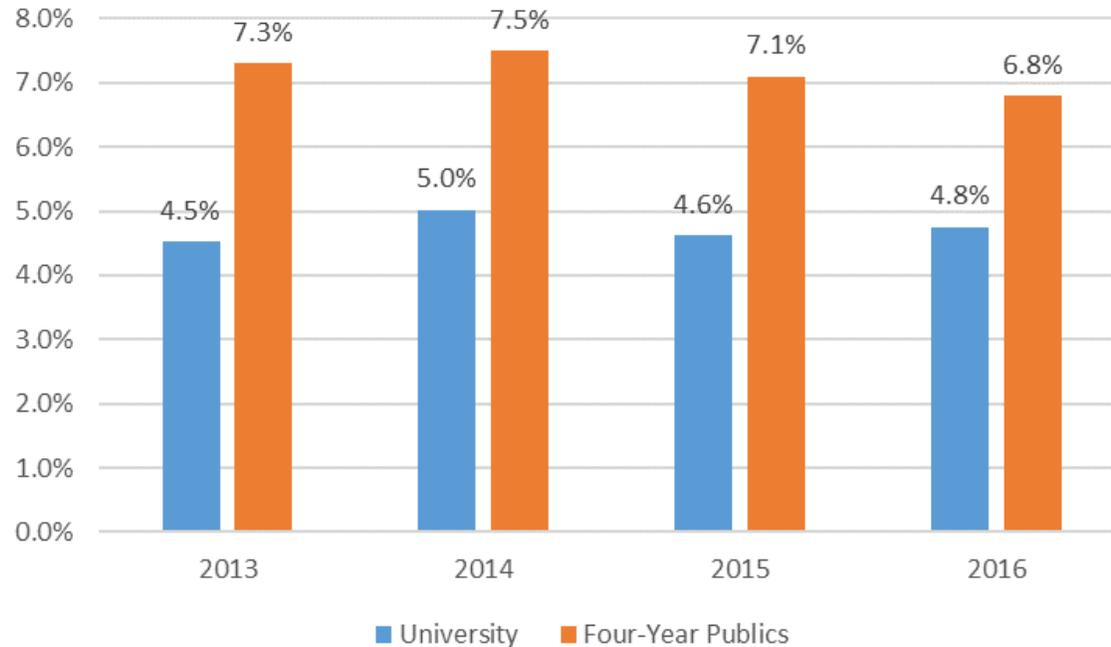


# Percentage of Student Need Met

	<b>FY2016</b>	<b>FY2017</b>	<b>FY2018</b>	<b>FY2019</b>	<b>FY2020 EST</b>
<b>Amherst</b>	86.7%	86.8%	83.8%	82.8%	83.3%
<b>Boston</b>	88.0%	87.0%	85.0%	82.0%	82.0%
<b>Dartmouth</b>	90.0%	82.5%	82.3%	82.6%	82.0%
<b>Lowell</b>	89.0%	89.0%	88.0%	88.0%	88.0%
<b>University</b>	88.1%	86.7%	84.8%	83.7%	83.9%

- Need Met: the percentage of need that was met of in-state undergraduates who were awarded any need based aid OR merit aid that addresses need including grants, scholarships, loans, and work study from ALL sources
- The decrease over time is driven by increasing student need, rising cost of attendance and the elimination of certain federal programs (i.e. Perkins loan)

# Cohort Default Rate



- Cohort = number of borrowers required to begin paying back student loans in that year
- Default rate = percent of students who were in the cohort and missed payments
- Cohort Default Rate = published in 2018 and measures the percent of borrowers who entered repayment of student loans in 2015 and defaulted in 2015, 2016 or 2017

# FY18 Total Price Regional Comparison

Total Price for In-State Students Living On-Campus  
FY2016-FY2018



\*FY18 is most recent available data at this date; pending publication of FY19 data through IPEDS reporting data

# Types of Aid

- 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		

# Student Eligibility

- 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.