

# FY21 Financial Aid Report

Board of Trustees - Administration & Finance Committee

April 7, 2021



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

- FY21 total financial aid from all sources are projected to decrease 9% to \$883 million attributable to COVID conditions driving aid from federal and other sources lower
- University Funded Aid grows despite freezing tuition and refunding room & board in FY20
  - Totaled \$352 million in FY21 which represents 0.3% growth over FY20
  - Represents 40% of the total aid and is primarily scholarships and grants
- Projected lower cost of attendance attributable to COVID conditions has driven dramatic changes in aid by source:
  - Federal aid, representing 46% of total aid, projected to decrease 8% in FY21, excluding CARES Act emergency grants
  - State Aid represents 3% of total aid and projected to decrease 4.7% in FY21
  - Other Aid represents 11% of total aid and projected to decrease 35% in FY21 as students and families require less private borrowing to address unmet need

# Financial Aid: Impacts from COVID-19

- Adjustment to campus operations and learning modalities as a public health precaution over the past year have impacted the amount of financial aid flowing to our students due to changes in the cost of attendance calculation
- In total an estimated decline of \$88 million in aid during FY21 as there was a reduced number of students living on campuses
- Resulting in a drop of the cost of attendance(COA) for student traditionally living on campus
  - Lower COA results lower need to award need-based aid, and reduces the amount of money a student/family needs to borrow to finance their education because they are only paying for tuition and not room/board
- Federal student loan and private borrowing are estimated to substantially reduce in FY21 due to the lower COA when most borrowing would finance on-campus living

# Federal Stimulus Provides Emergency Grants to Students

While students benefit from these grants, the purpose is providing support due to disruptions during COVID; these grants are not considered or included as financial aid

(\$ in Thousands)

Campus	CARES	HEERF II	American	Total
	Act		Rescue Plan	
			Act*	
Amherst	9,168	9,168	25,367	43,703
Boston	6,092	6,092	18,839	31,023
Dartmouth	3,144	3,144	9,439	15,727
Lowell	4,450	4,450	14,167	23,067
Medical School	155	155	216	526
<b>Total</b>	<b>23,009</b>	<b>23,009</b>	<b>68,028</b>	<b>114,046</b>

**CARES Act:** Enacted March 27, 2020 providing direct emergency financial grants to students for expenses related to COVID-19

**CRRSAA (HEERF II):** Enacted December 27, 2020 providing at minimum the same amount of emergency grants under CARES Act for direct payments; new allowable use for a student's cost of attendance – if consent of the student is received.

**American Rescue Plan Act (HEERF III):** Enacted March 11, 2021 increasing the total allocation to institutions and students; allowing for direct payments to students and to address cost of attendance aligning with HEERF II

- Students have already received direct grants under the CARES Act as the University has nearly exhausted the funding allocated
- The campuses are planning to disperse aid under HEERF II & the American Rescue Plan in the coming weeks and months providing additional relief to students

# 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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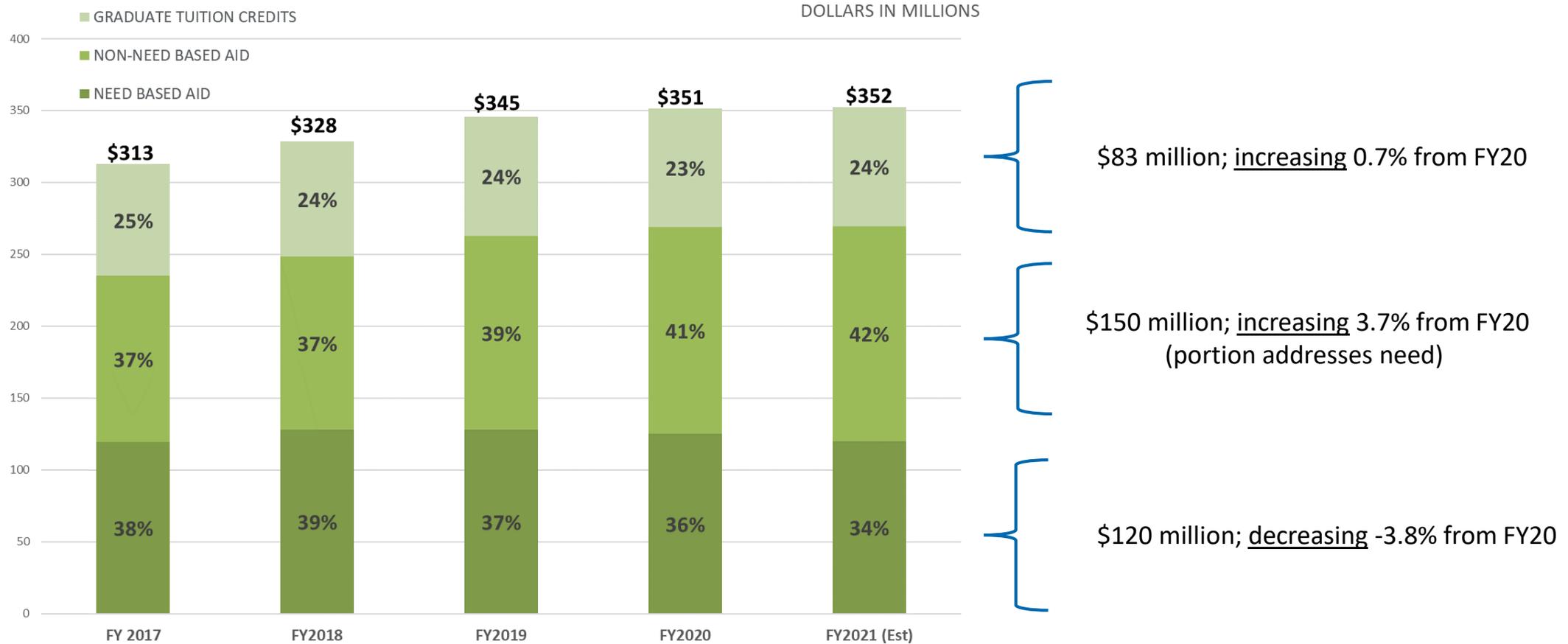
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# University Financial Aid is funded from Tuition Revenue

- 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
- 96% 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 investment continues to grow; campuses balance the use of both need and merit programs to address financial need with at least 50% of merit aid addressing need*

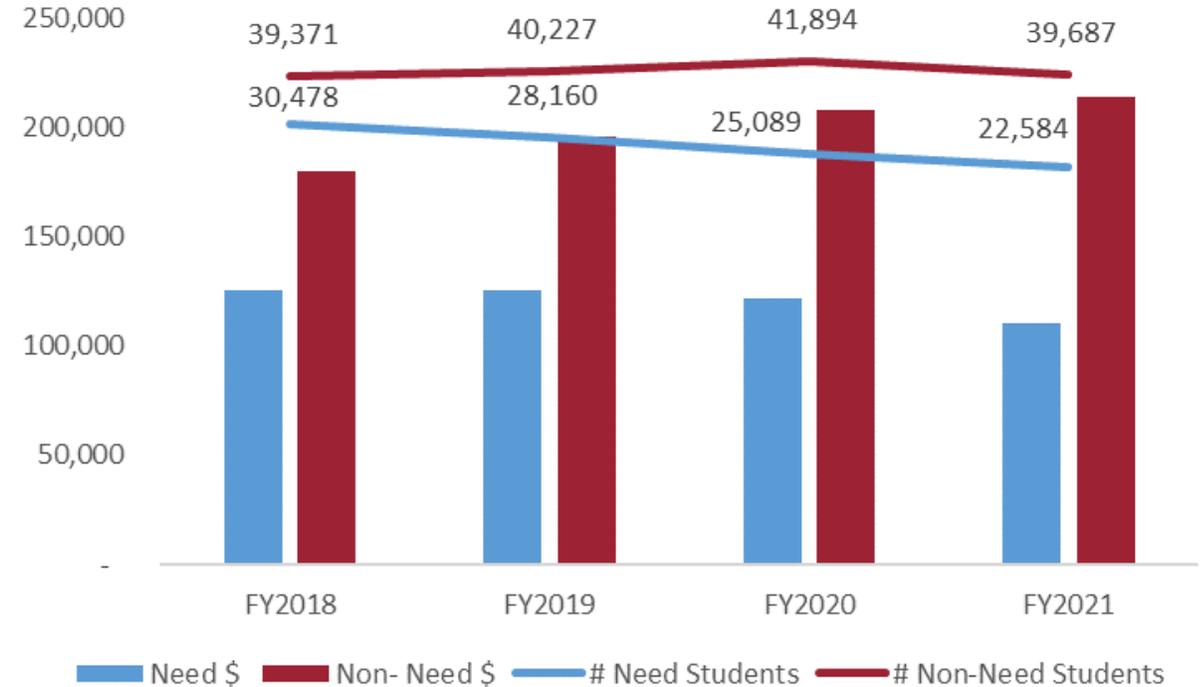


# University Aid Summary

*\$ in Thousands*

	FY2018	FY2019	FY2020	FY2021
<b>Total Need Aid (\$)</b>	\$125,498	\$125,361	\$121,940	\$110,375
<b>Total Students w/ Need Aid (HC)</b>	30,478	28,160	25,089	22,584
<b>Total Need Programs (#)</b>	117	121	120	130
<b>Total Non-Need Aid (\$)<sup>1</sup></b>	\$179,675	\$195,901	\$207,924	\$214,085
<b>Total Students w/ Non-Need Aid (HC)</b>	39,371	40,227	41,894	39,687
<b>Total Non-Need Programs (#)</b>	796	831	835	790
<b>Total University Aid (\$)<sup>2</sup></b>	\$305,174	\$321,262	\$329,864	\$324,460

*\$ in Thousands*



# Student Financial Aid Packages

## *In-State Undergraduates*



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

<b>Federal Income Range</b>	<b>Average Financial Aid Package</b>	<b>Grant Award</b>	<b>Loan Award</b>	<b>Work Award</b>	<b>Average Unmet Need</b>
<b>Less than \$30,000</b>	\$20,485	54%	36%	10%	\$5,287
<b>\$30,000 - \$40,000</b>	\$20,113	56%	34%	10%	\$4,899
<b>\$40,001 - \$50,000</b>	\$20,027	54%	35%	10%	\$4,749
<b>\$50,001 - \$75,000</b>	\$17,807	49%	39%	12%	\$4,285
<b>\$75,001 - \$100,000</b>	\$14,178	39%	47%	13%	\$3,045
<b>Greater than \$100,000</b>	\$9,512	32%	53%	16%	\$1,583

- 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)	Cohort Avg Debt at Graduation(4)
2019 - 2020	13,101	7,274	66%	\$32,291
2018 - 2019	13,157	7,231	66%	\$31,402
2017 - 2018	13,091	7,141	71%	\$31,095
2016 - 2017	12,754	6,755	71%	\$31,045

(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) 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)
2019 - 2020	64%	\$32,928
2018 - 2019	62%	\$31,755
2017 - 2018	67%	\$31,897
2016 - 2017	68%	\$31,714

## Undergraduate Graduating Class : Boston

Year	% Graduating w/ Debt(3)	Cohort Avg Debt at Graduation(5)
2019 - 2020	53%	\$25,054
2018 - 2019	54%	\$25,645
2017 - 2018	59%	\$27,109
2016 - 2017	59%	\$26,776

## Undergraduate Graduating Class : Dartmouth

Year	% Graduating w/ Debt(3)	Cohort Avg Debt at Graduation(5)
2019 - 2020	85%	\$36,115
2018 - 2019	84%	\$34,824
2017 - 2018	94%	\$29,070
2016 - 2017	95%	\$28,610

## Undergraduate Graduating Class : Lowell

Year	% Graduating w/ Debt(3)	Cohort Avg Debt at Graduation(5)
2019 - 2020	73%	\$33,500
2018 - 2019	74%	\$32,317
2017 - 2018	77%	\$32,178
2016 - 2017	78%	\$32,744

# Net Price



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# Defining Net Price

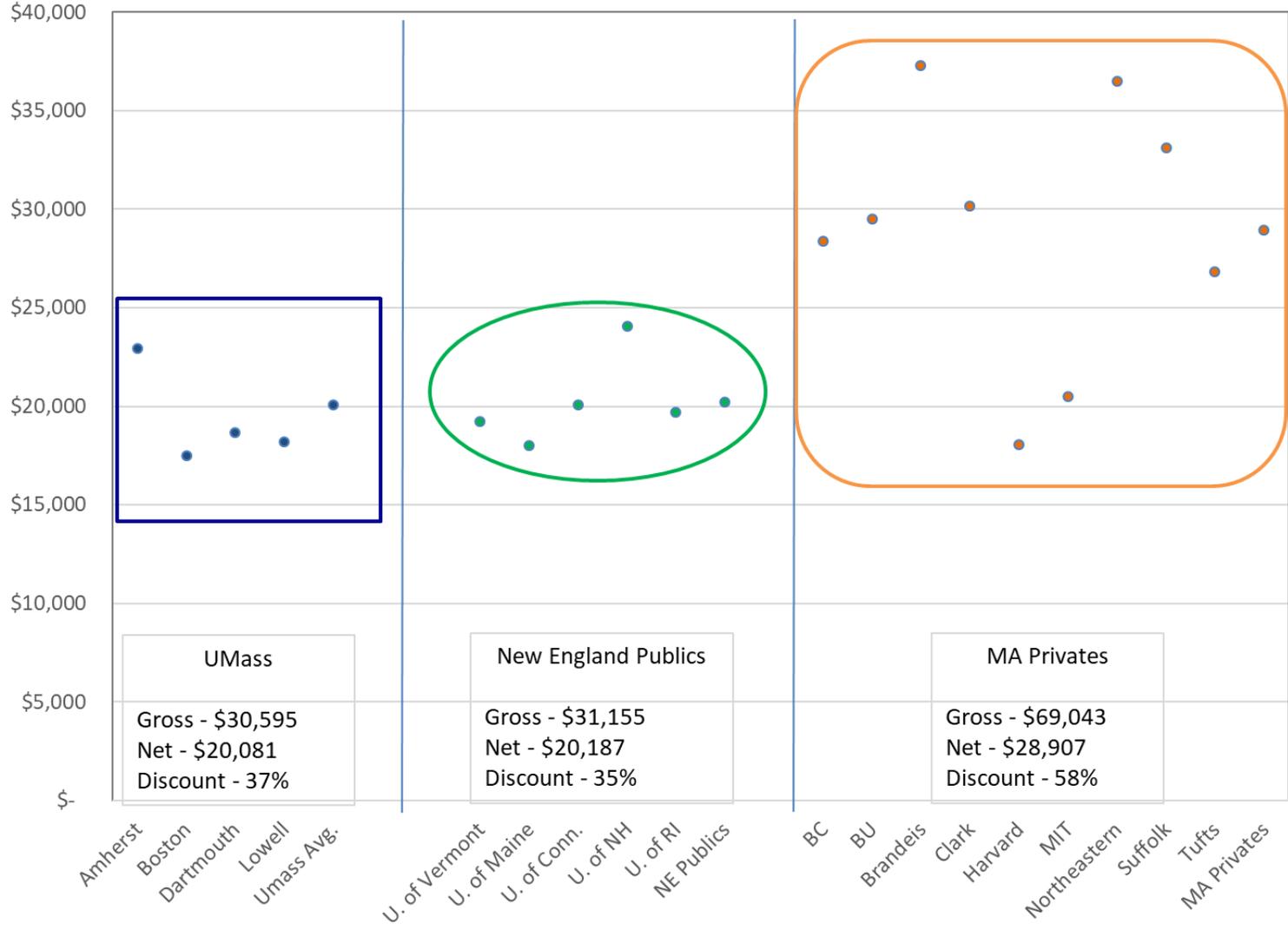
Total Cost of Attendance = \$31,093

Total Free Aid = \$10,250



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

# FY19 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  
 \*FY19 is most recent available data at this date

# Key Takeaways

- ***UMass Investments in Student Financial Aid Continue to Grow***
  - University funded aid totaled \$352 million in FY21 which represents 0.3% growth over FY20
  - University maintained investments in financial aid; continuing to address student needs during the pandemic
- ***UMass Net Price Below MA Private Institutions and align with New England Public Peers***
  - In FY19, the latest published data, the net price is \$20,081 vs. other public universities average net price is \$20,187. Average net price for Massachusetts private institutions is \$28,907
- ***Student Debt Remains Consistent with Prior Years***
  - The average amount of debt at graduation for FY20 is \$32,291
  - Financial literacy education and strategies for student retention and graduation will help address student debt

# FY21 Financial Aid Report Appendix

Board of Trustees

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University of Massachusetts

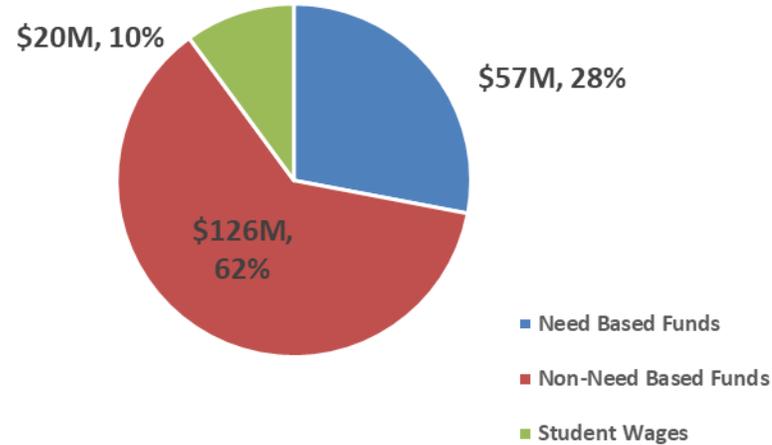
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## Financial Aid Supports Recruitment, Retention, Graduation Strategies

- 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
- UMass Lowell has developed an online cost-planner to assist students with building their financial plan; utilizing the cost planner during our one-on-one financial planning sessions with families
- One-on-one financial planning sessions offered by Financial Aid professionals system-wide

# Amherst

- Campus Funded Aid : FY20 = \$204 million



- FY20 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
\$ 17,883	\$ 4,252	53%	40%	9%

- UG In-State Student Net Price

2018-2019	
<b>Total Price</b>	\$30,913
<b>Average Net Price</b>	\$22,927

- Student Debt

### Undergraduate Graduating Class : Amherst

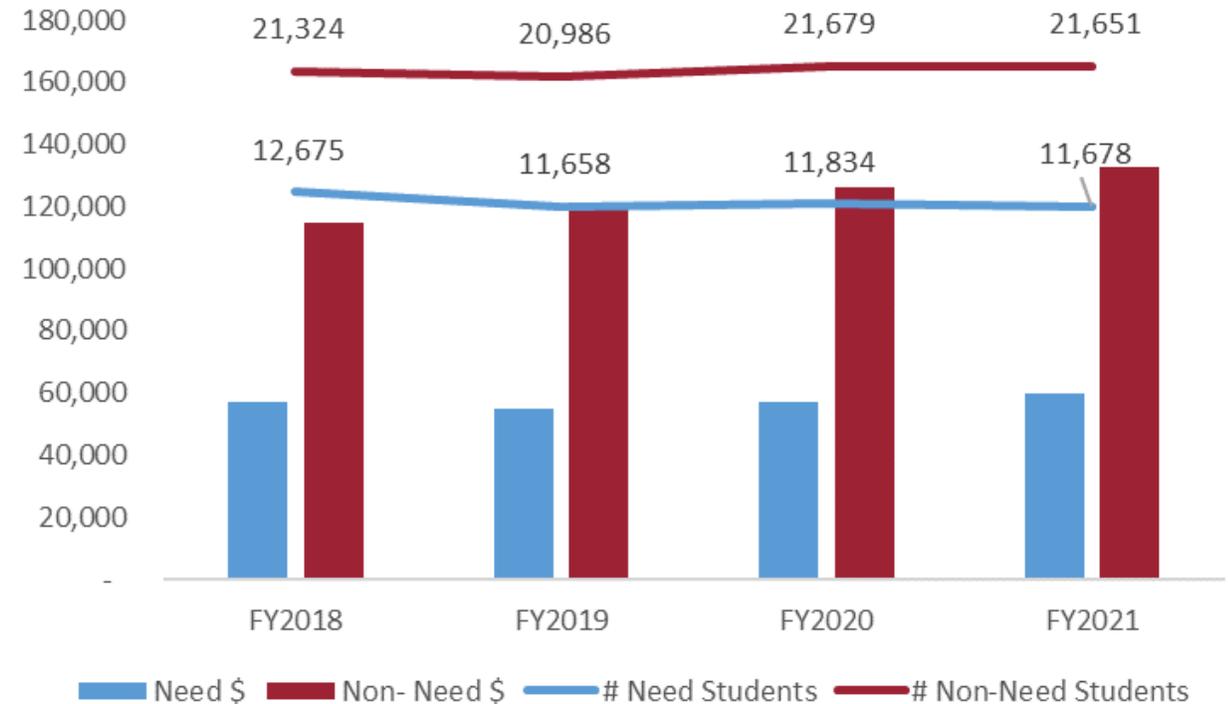
Year	% Graduating w/ Debt(3)	Cohort Avg Debt at Graduation(5)
2019 - 2020	64%	\$32,928
2018 - 2019	62%	\$31,755
2017 - 2018	67%	\$31,897
2016 - 2017	68%	\$31,714

# Amherst – Campus Funded Aid Summary

*\$ in Thousands*

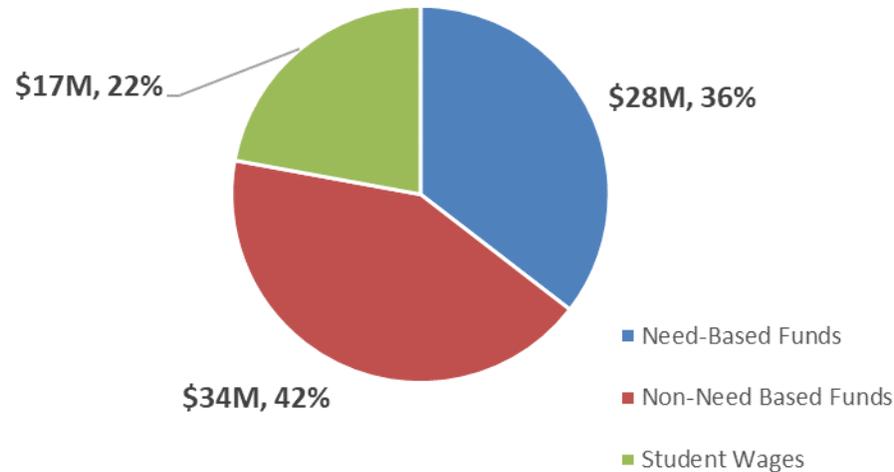
	FY2018	FY2019	FY2020	FY2021
<b>Total Need Aid (\$)</b>	\$56,993	\$54,855	\$57,128	\$59,687
<b>Total Students w/ Need Aid (HC)</b>	12,675	11,658	11,834	11,678
<b>Total Need Programs (#)</b>	6	6	6	6
<b>Total Non-Need Aid (\$)<sup>1</sup></b>	\$114,734	\$121,019	\$126,372	\$132,829
<b>Total Students w/ Non-Need Aid (HC)</b>	21,324	20,986	21,679	21,651
<b>Total Non-Need Programs (#)</b>	34	34	34	34
<b>Total Aid (\$)<sup>2</sup></b>	\$171,727	\$175,874	\$183,500	\$192,516

*\$ in Thousands*



# Boston

- Campus Funded Aid : FY20 = \$80 million



- FY20 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
\$ 16,507	\$ 4,295	47%	35%	17%

- UG In-State Student Net Price

2018-2019	
<b>Total Price</b>	\$30,691
<b>Average Net Price</b>	\$17,511

- Student Debt

### Undergraduate Graduating Class : Boston

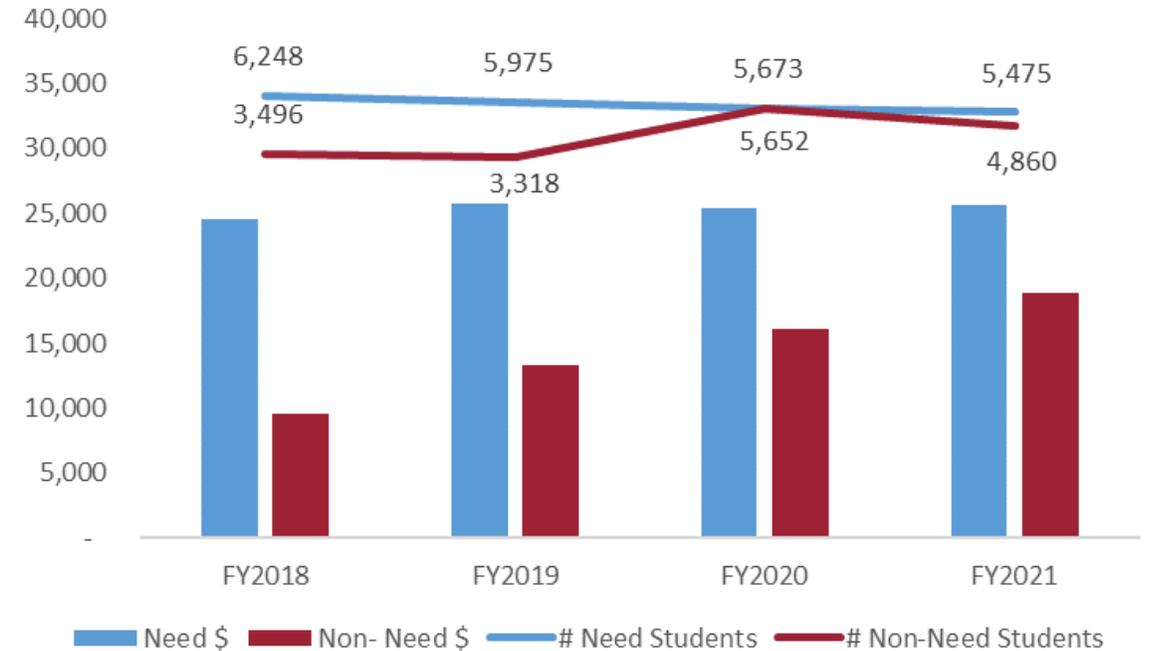
Year	% Graduating w/ Debt(3)	Cohort Avg Debt at Graduation(5)
2019 - 2020	53%	\$25,054
2018 - 2019	54%	\$25,645
2017 - 2018	59%	\$27,109
2016 - 2017	59%	\$26,776

# Boston – Campus Funded Aid Summary

*\$ in Thousands*

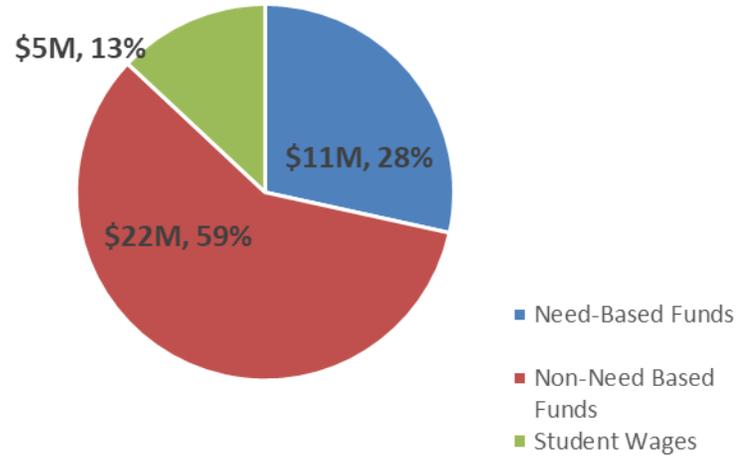
	FY2018	FY2019	FY2020	FY2021
<b>Total Need Aid (\$)</b>	\$24,524	\$25,770	\$25,430	\$25,646
<b>Total Students w/ Need Aid (HC)</b>	6,248	5,975	5,673	5,475
<b>Total Need Programs (#)</b>	6	6	6	6
<b>Total Non-Need Aid (\$)<sup>1</sup></b>	\$9,593	\$13,254	\$16,142	\$18,834
<b>Total Students w/ Non-Need Aid (HC)</b>	3,496	3,318	5,652	4,860
<b>Total Non-Need Programs (#)</b>	160	195	198	167
<b>Total Aid (\$)<sup>2</sup></b>	\$34,117	\$39,024	\$41,572	\$44,480

*\$ in Thousands*



# Dartmouth

- Campus Funded Aid : FY20 = \$37 million



- FY20 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
\$ 16,792	\$ 4,620	48%	47%	5%

- UG In-State Student Net Price

2018-2019	
<b>Total Price</b>	\$30,275
<b>Average Net Price</b>	\$18,662

- Student Debt

### Undergraduate Graduating Class : Dartmouth

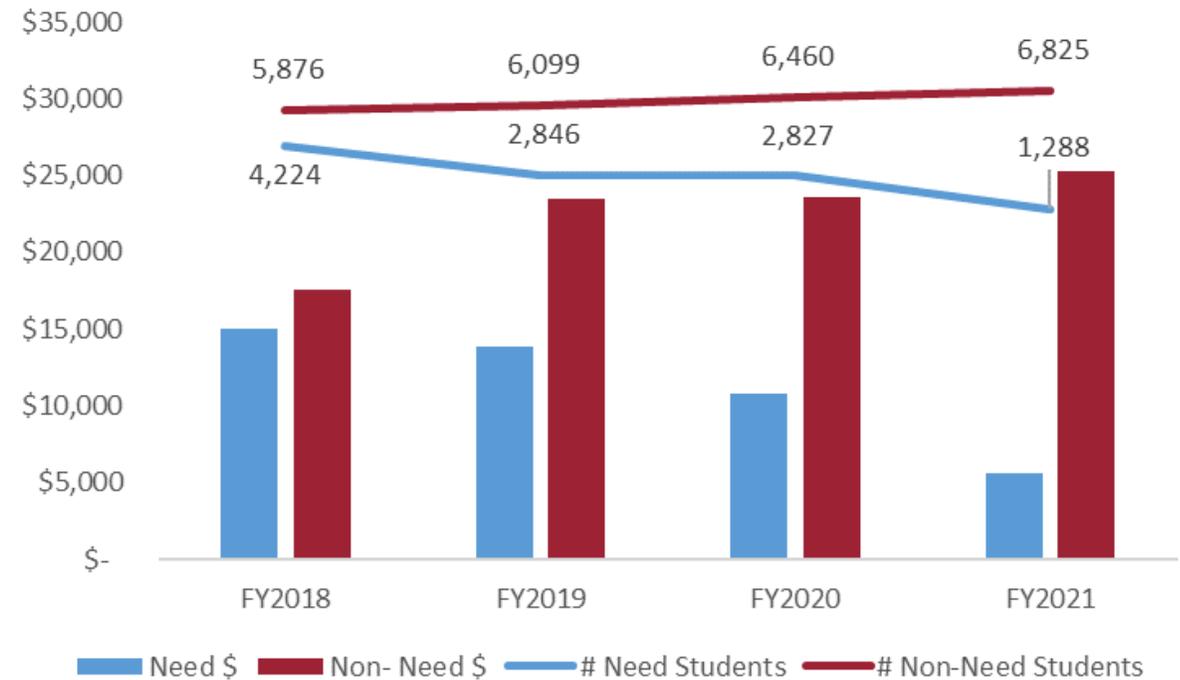
Year	% Graduating w/ Debt(3)	Cohort Avg Debt at Graduation(5)
2019 - 2020	85%	\$36,115
2018 - 2019	84%	\$34,824
2017 - 2018	94%	\$29,070
2016 - 2017	95%	\$28,610

# Dartmouth – Campus Funded Aid Summary

*\$ in Thousands*

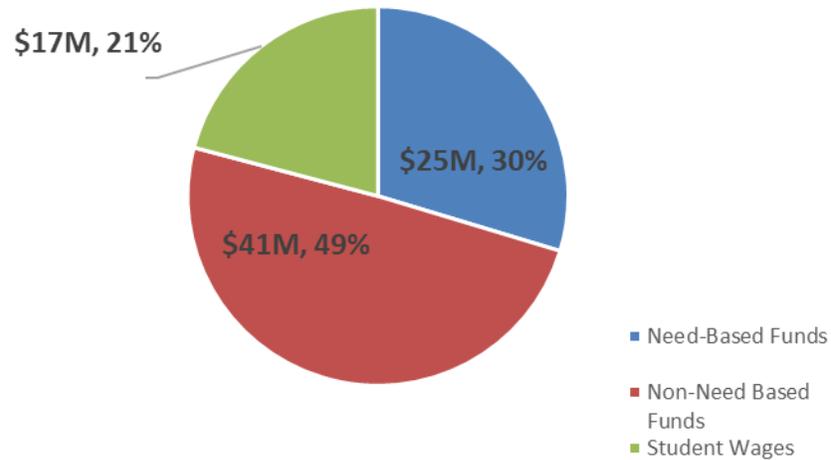
	FY2018	FY2019	FY2020	FY2021
<b>Total Need Aid (\$)</b>	\$14,982	\$13,842	\$10,744	\$5,653
<b>Total Students w/ Need Aid (HC)</b>	4,224	2,846	2,827	1,288
<b>Total Need Programs (#)</b>	5	8	8	8
<b>Total Non-Need Aid (\$)<sup>1</sup></b>	\$17,558	\$23,474	\$23,627	\$25,276
<b>Total Students w/ Non-Need Aid (HC)</b>	5,876	6,099	6,460	6,825
<b>Total Non-Need Programs (#)</b>	15	30	30	31
<b>Total Aid (\$)<sup>2</sup></b>	\$32,540	\$37,316	\$34,371	\$30,930

*\$ in Thousands*



# Lowell

- Campus Funded Aid : FY20 = \$83 million



- FY20 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
\$ 15,634	\$ 2,730	46%	40%	14%

- UG In-State Student Net Price

2018-2019	
<b>Total Price</b>	\$30,552
<b>Average Net Price</b>	\$18,183

- Student Debt

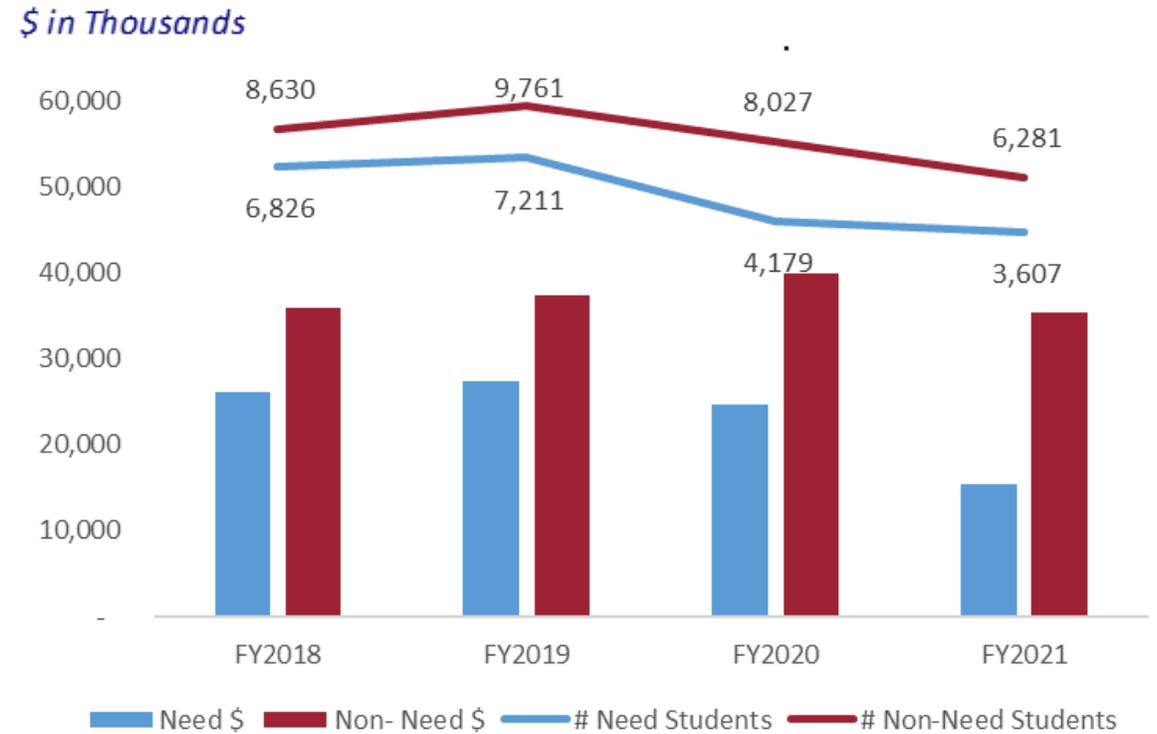
### Undergraduate Graduating Class : Lowell

Year	% Graduating w/ Debt(3)	Cohort Avg Debt at Graduation(5)
2019 - 2020	73%	\$33,500
2018 - 2019	74%	\$32,317
2017 - 2018	77%	\$32,178
2016 - 2017	78%	\$32,744

# Lowell – Campus Funded Aid Summary

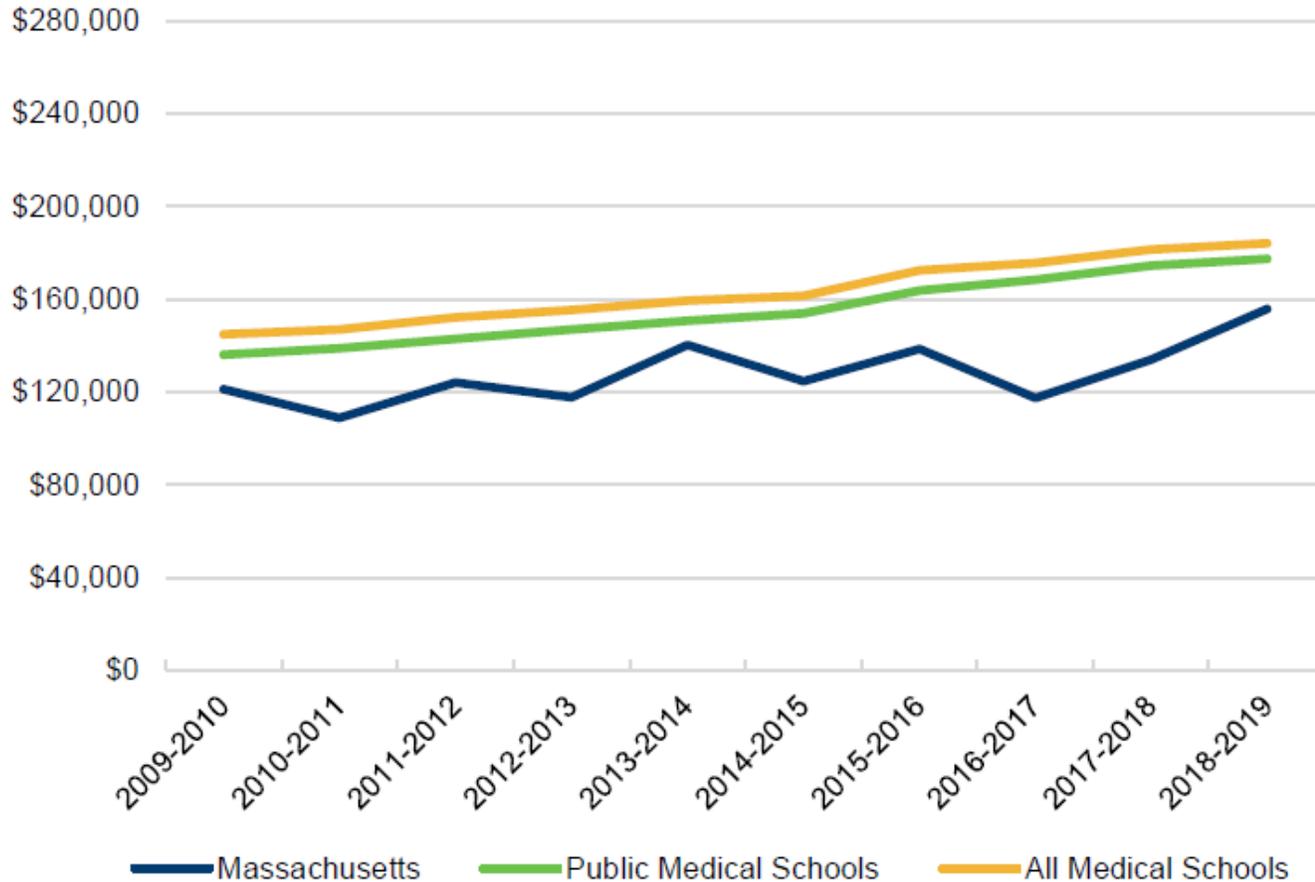
*\$ in Thousands*

	FY2018	FY2019	FY2020	FY2021
<b>Total Need Aid (\$)</b>	\$26,039	\$27,393	\$24,592	\$15,413
<b>Total Students w/ Need Aid (HC)</b>	6,826	7,211	4,179	3,607
<b>Total Need Programs (#)</b>	4	5	4	4
<b>Total Non-Need Aid (\$)<sup>1</sup></b>	\$35,971	\$37,402	\$39,958	\$35,274
<b>Total Students w/ Non-Need Aid (HC)</b>	8,630	9,761	8,027	6,281
<b>Total Non-Need Programs (#)</b>	582	567	568	554
<b>Total Aid (\$)<sup>2</sup></b>	\$62,010	\$64,795	\$64,550	\$50,687



# Medical School

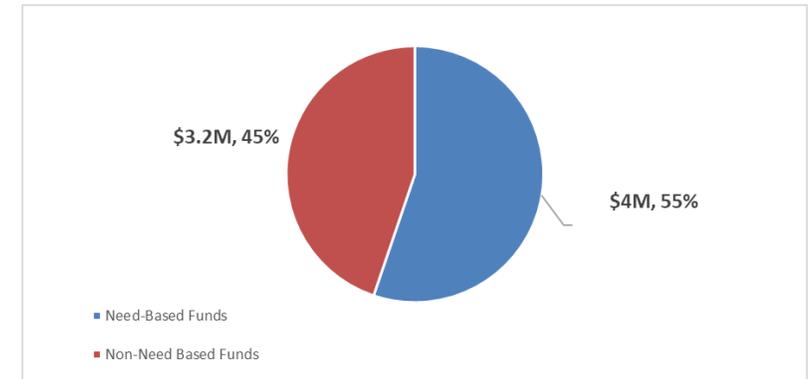
**Average Medical School Debt of Indebted Graduates**



**Percentage of Graduates with Medical School Debt**

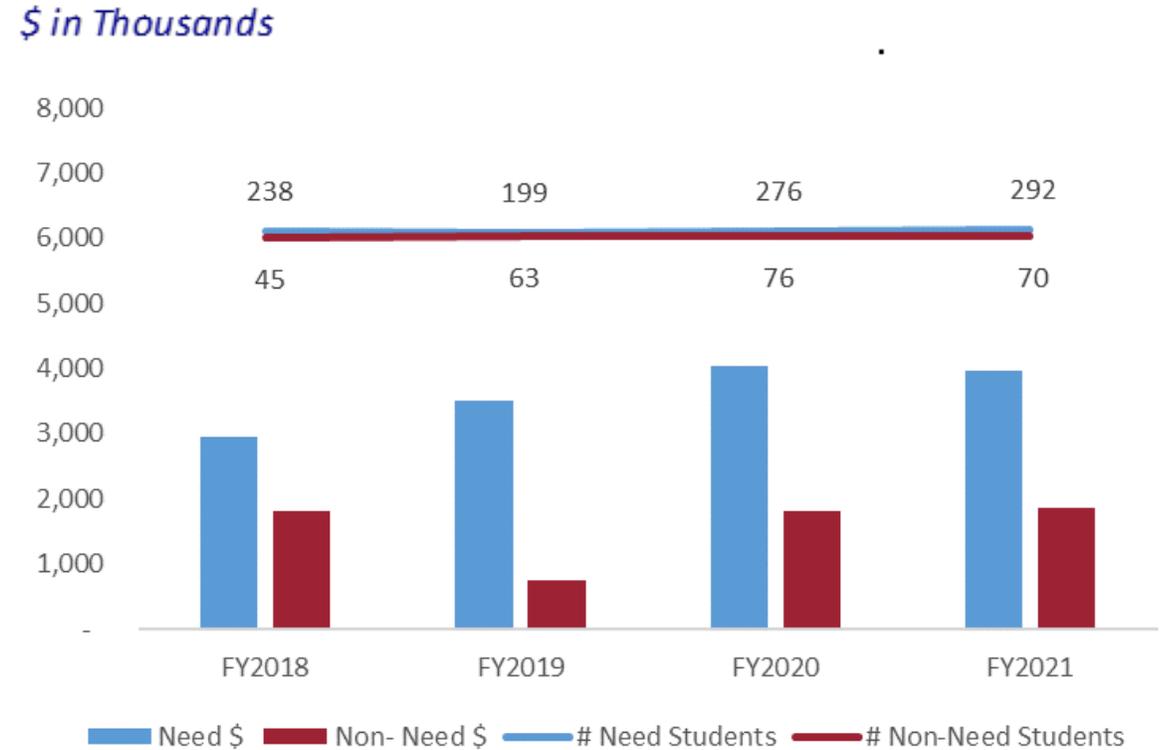
Massachusetts	90.4%
Public Medical Schools	73.1%
All Medical Schools	71.5%

Institutional Aid : FY20 = \$7 million

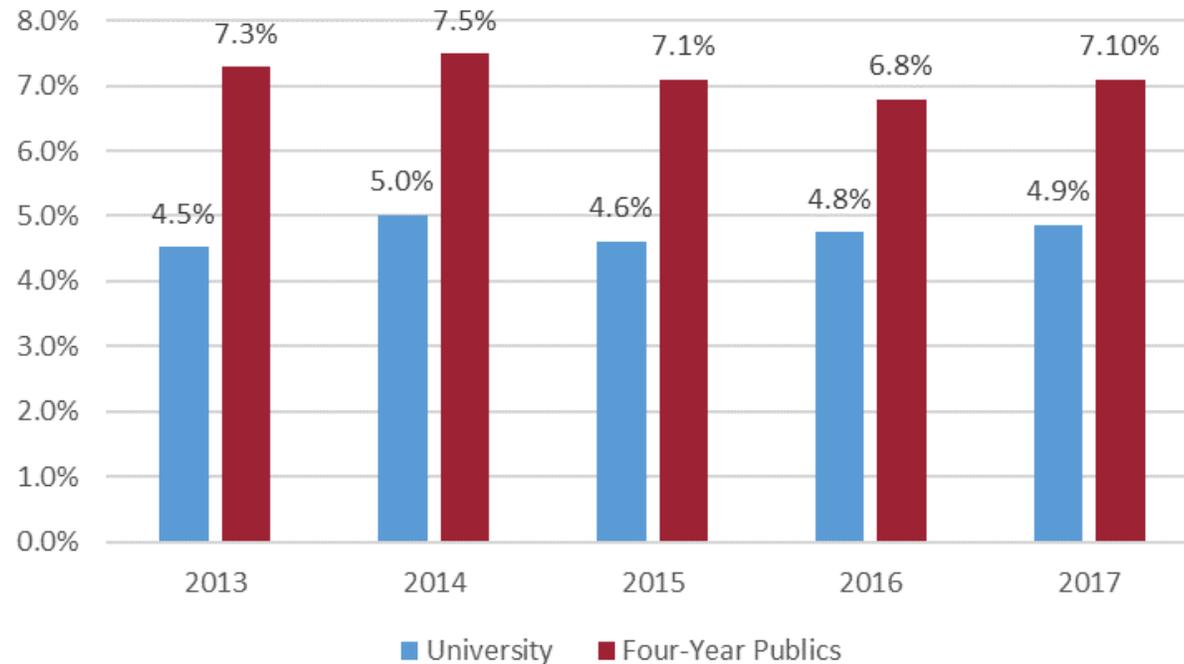


# Medical School – Campus Funded Aid Summary

<i>\$ in Thousands</i>	FY2018	FY2019	FY2020	FY2021
<b>Total Need Aid (\$)</b>	\$2,961	\$3,501	\$4,047	\$3,975
<b>Total Students w/ Need Aid (HC)</b>	238	199	276	292
<b>Total Need Programs (#)</b>	96	96	96	106
<b>Total Non-Need Aid (\$) <sup>1</sup></b>	\$1,819	\$752	\$1,825	\$1,872
<b>Total Students w/ Non-Need Aid (HC)</b>	45	63	76	70
<b>Total Non-Need Programs (#)</b>	5	5	5	4
<b>Total Aid (\$) <sup>2</sup></b>	\$4,779	\$4,253	\$5,872	\$5,847



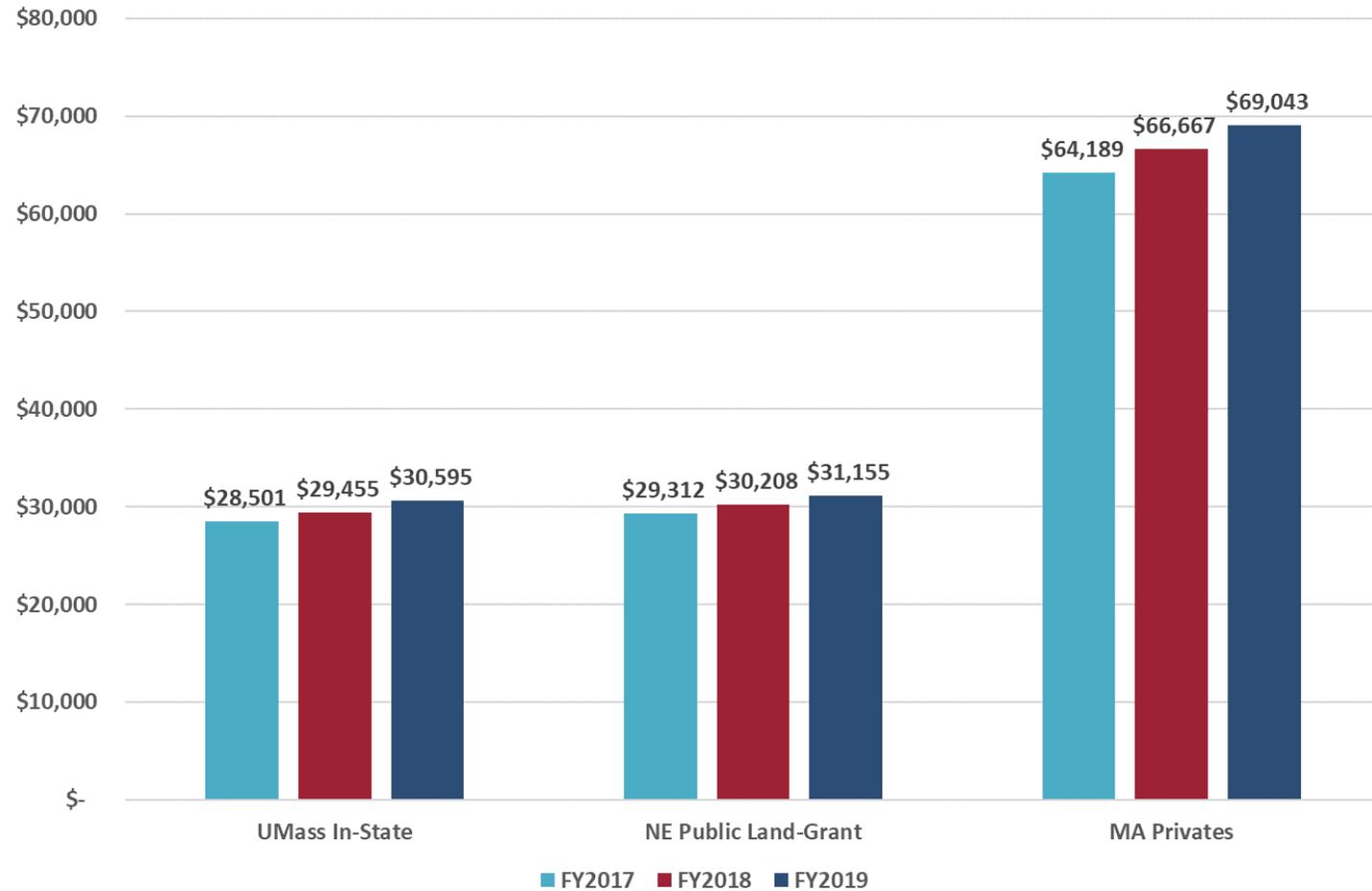
# Cohort Default Rate



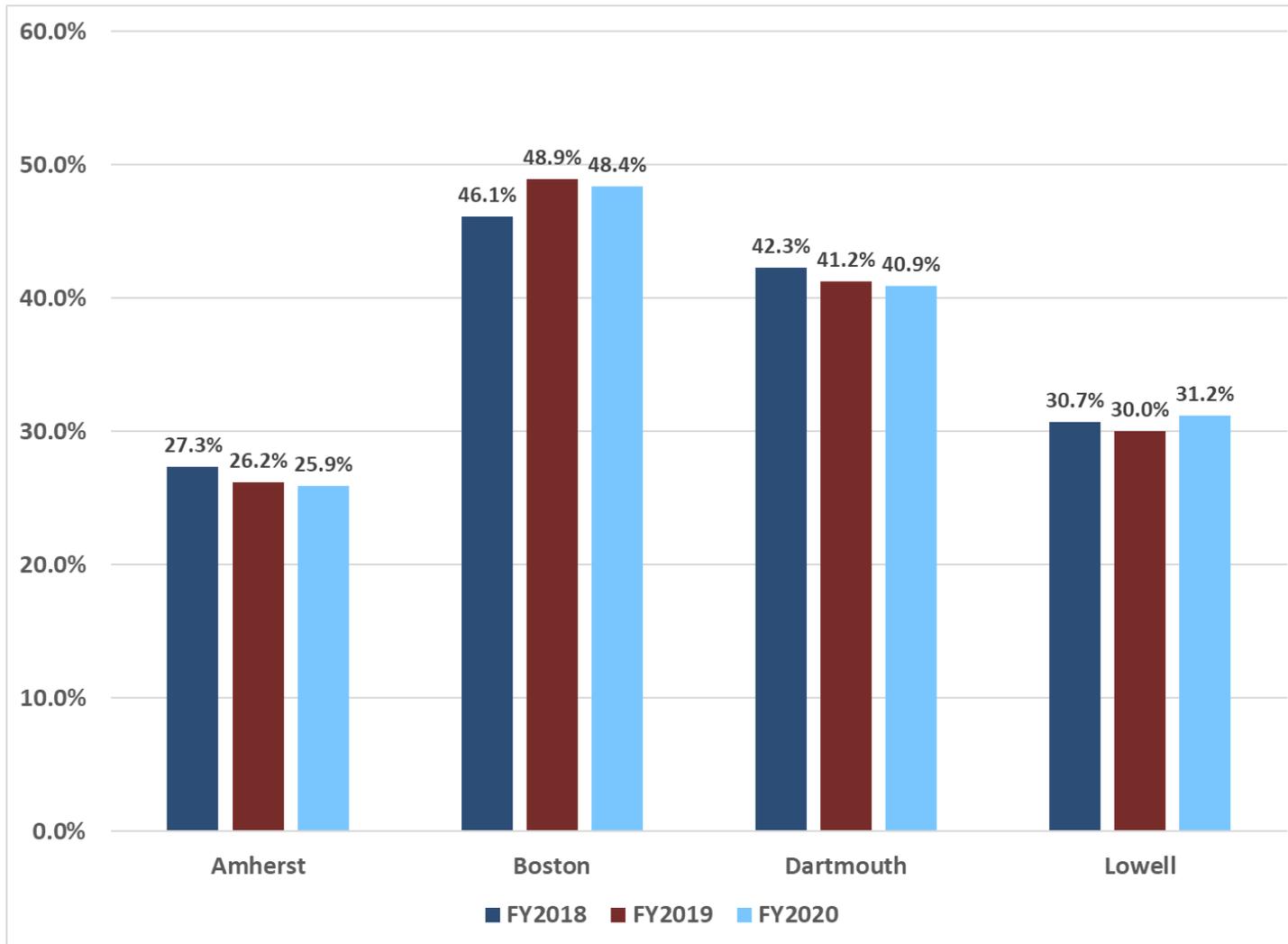
- Cohort = number of borrowers required to begin paying back student loans in that year
- Default Rate = percent of students who were in the cohort and missed payments
- Cohort Default Rate = published in 2020 and measures the percent of borrowers who entered repayment of student loans in 2017 and defaulted in 2017, 2018 or 2019

# FY19 Total Price Regional Comparison

Total Price for In-State Students Living On-Campus  
FY2017-FY2019



# Percentage of In-State Undergraduates Receiving Pell Grants



# Types of Aid

- Grants/Scholarships – gift aid to students which does not have to be repaid
  - Federal aid excludes CARES Act and other stimulus emergency financial grants to students
- 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		
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.