

FY22 Financial Aid Report

Board of Trustees - Administration & Finance Committee

April 6, 2022



University of Massachusetts

Amherst • Boston • Dartmouth • Lowell • Medical • Law • Online

Agenda

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

Highlights

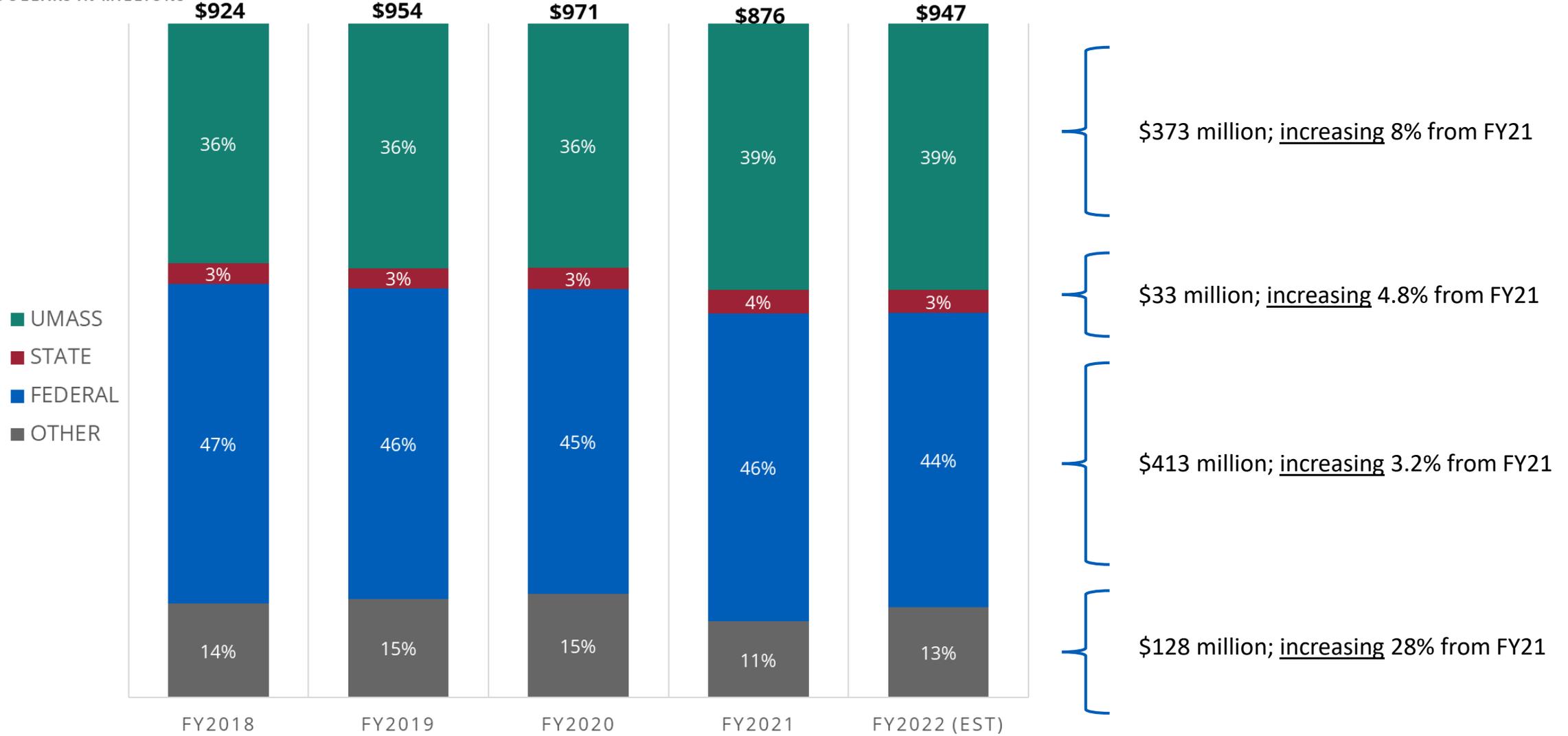
- FY22 total financial aid from all sources are projected to increase 8% to \$947 million attributable to federal and other sources of aid rebounding from COVID impacts
- University Funded Aid grows despite refunding room & board in FY20 and freezing tuition rate for FY21 & FY22
 - Totals \$373 million in FY22 which represents 8% growth over FY21
 - Represents 40% of the total aid and is primarily scholarships and grants
- Aid by other major sources have recovered from COVID impacts:
 - Federal aid, representing 44% of total aid, projected to increase 3% in FY22
 - State Aid represents 3% of total aid and projected to increase 4.8% in FY22
 - Other Aid represents 13% of total aid and projected to increase 28% in FY22 as students and families return to private borrowing to address unmet need

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



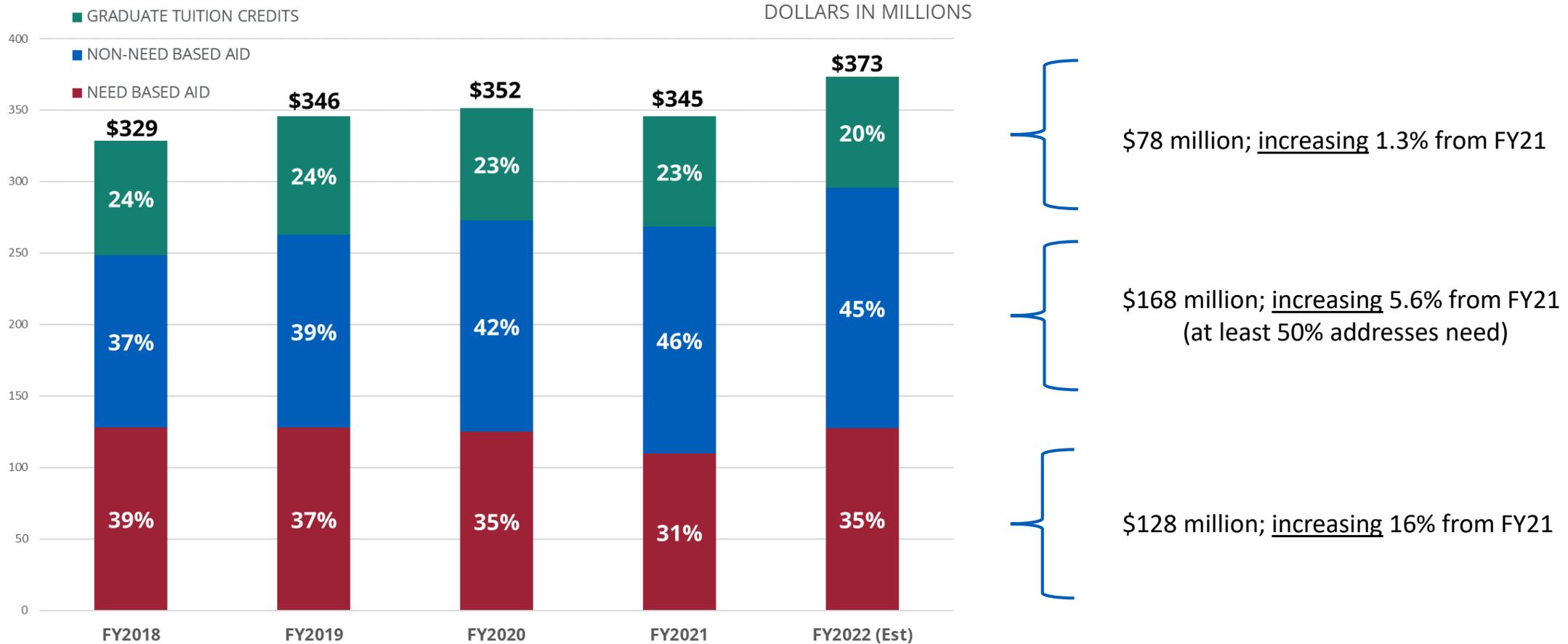
University Funded Financial Aid

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

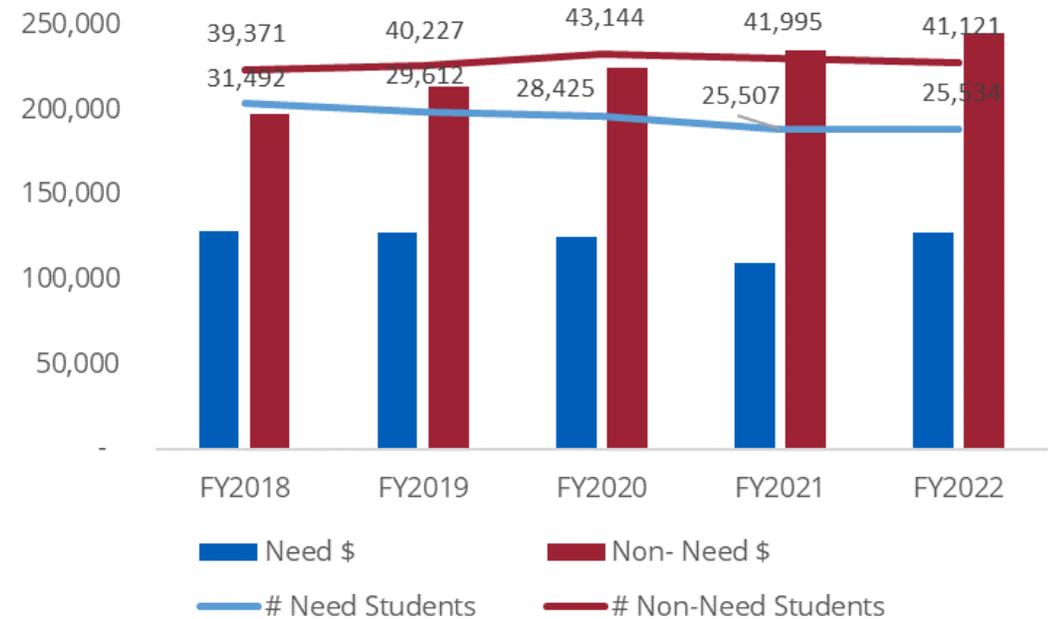
University investment continues to grow; campuses balance the use of both need and merit programs to address financial need with at least 50% of merit aid addressing need.



University Aid Summary

\$ in Thousands

	FY2018	FY2019	FY2020	FY2021	FY2022
Total Need Aid (\$)	\$128,128	\$128,022	\$125,055	\$109,659	\$127,692
Total Students w/ Need Aid (HC)	31,492	29,612	28,425	25,507	25,534
Total Need Programs (#)	119	123	120	131	140
Total Non-Need Aid (\$)¹	\$197,597	\$213,174	\$225,019	\$234,754	\$245,200
Total Students w/ Non-Need Aid (H)	39,371	40,227	43,144	41,995	41,121
Total Non-Need Programs (#)	796	831	1,003	1,010	1,012
Total University Aid (\$)²	\$325,726	\$341,195	\$350,074	\$344,413	\$372,891



Student Financial Aid Packages

In-State Undergraduates



Average Financial Aid Package: In-State Undergraduates with Need

Federal Income Range	Average Financial Aid	Grant Award	Loan Award	Work Award	Average Unmet Need
Less than \$30,000	\$19,752	55%	35%	10%	\$4,945
\$30,000 - \$40,000	\$18,607	56%	34%	11%	\$4,594
\$40,001 - \$50,000	\$18,244	56%	33%	11%	\$4,429
\$50,001 - \$75,000	\$16,268	51%	38%	12%	\$3,874
\$75,001 - \$100,000	\$12,410	43%	43%	14%	\$3,036
Greater than \$100,000	\$7,997	36%	48%	17%	\$1,425

- 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

Undergraduate Student Debt

Undergraduate Graduating Class : University

Year	Total Class(1)	Cohort Students(2)	% Graduating w/ Debt(3)	Cohort Avg Debt at Graduation(4)
2020 - 2021	13,392	7,331	66%	\$31,200
2019 - 2020	13,101	7,214	66%	\$32,170
2018 - 2019	13,157	7,231	66%	\$31,402
2017 - 2018	13,091	7,141	71%	\$31,095

(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.

Amherst

Year	% Graduating w/ Debt(3)	Cohort Avg Debt at Graduation(4)
2020 - 2021	62%	\$31,623
2019 - 2020	64%	\$32,928
2018 - 2019	62%	\$31,755
2017 - 2018	67%	\$31,897

Boston

Year	% Graduating w/ Debt(3)	Cohort Avg Debt at Graduation(4)
2020 - 2021	58%	\$25,477
2019 - 2020	53%	\$25,054
2018 - 2019	54%	\$25,645
2017 - 2018	59%	\$27,109

Dartmouth

Year	% Graduating w/ Debt(3)	Cohort Avg Debt at Graduation(4)
2020 - 2021	83%	\$33,680
2019 - 2020	82%	\$35,204
2018 - 2019	84%	\$34,824
2017 - 2018	94%	\$29,070

Lowell

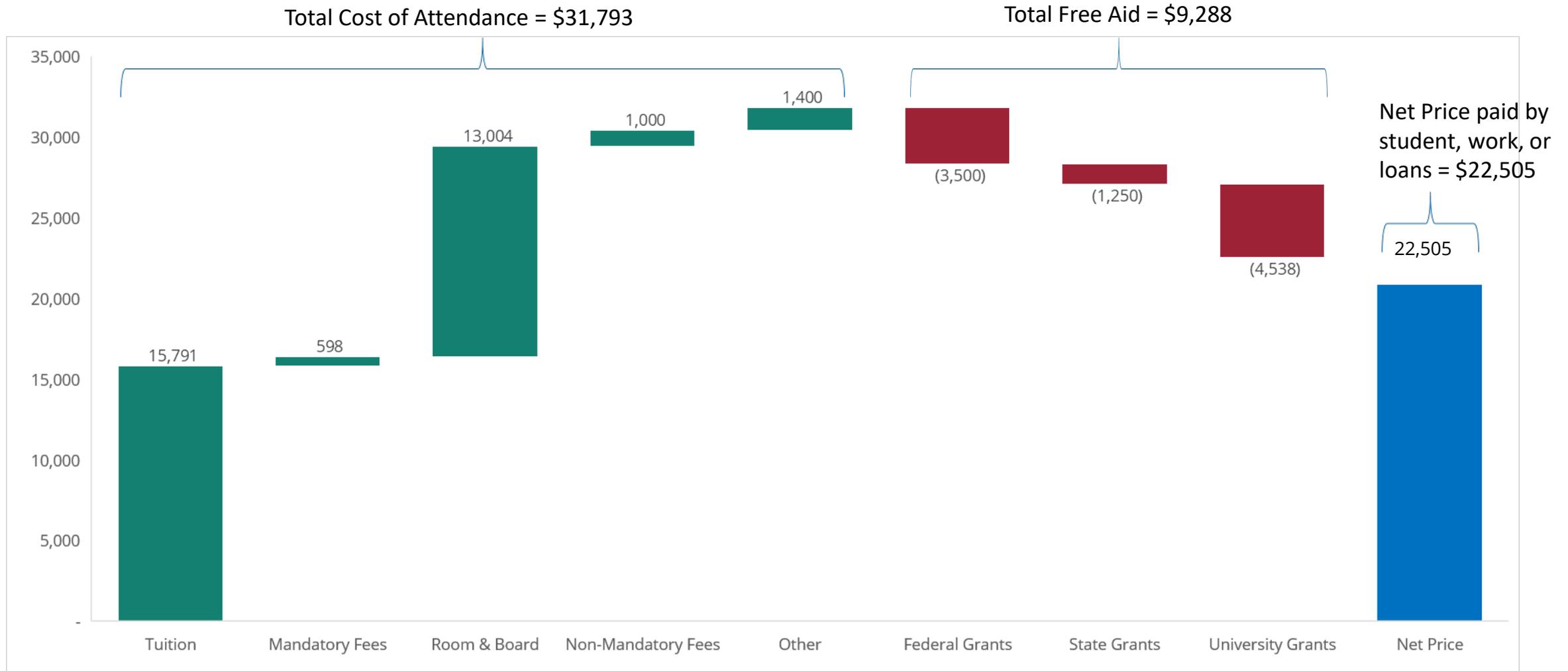
Year	% Graduating w/ Debt(3)	Cohort Avg Debt at Graduation(4)
2020 - 2021	75%	\$33,297
2019 - 2020	73%	\$33,500
2018 - 2019	74%	\$32,317
2017 - 2018	77%	\$32,178

Net Price



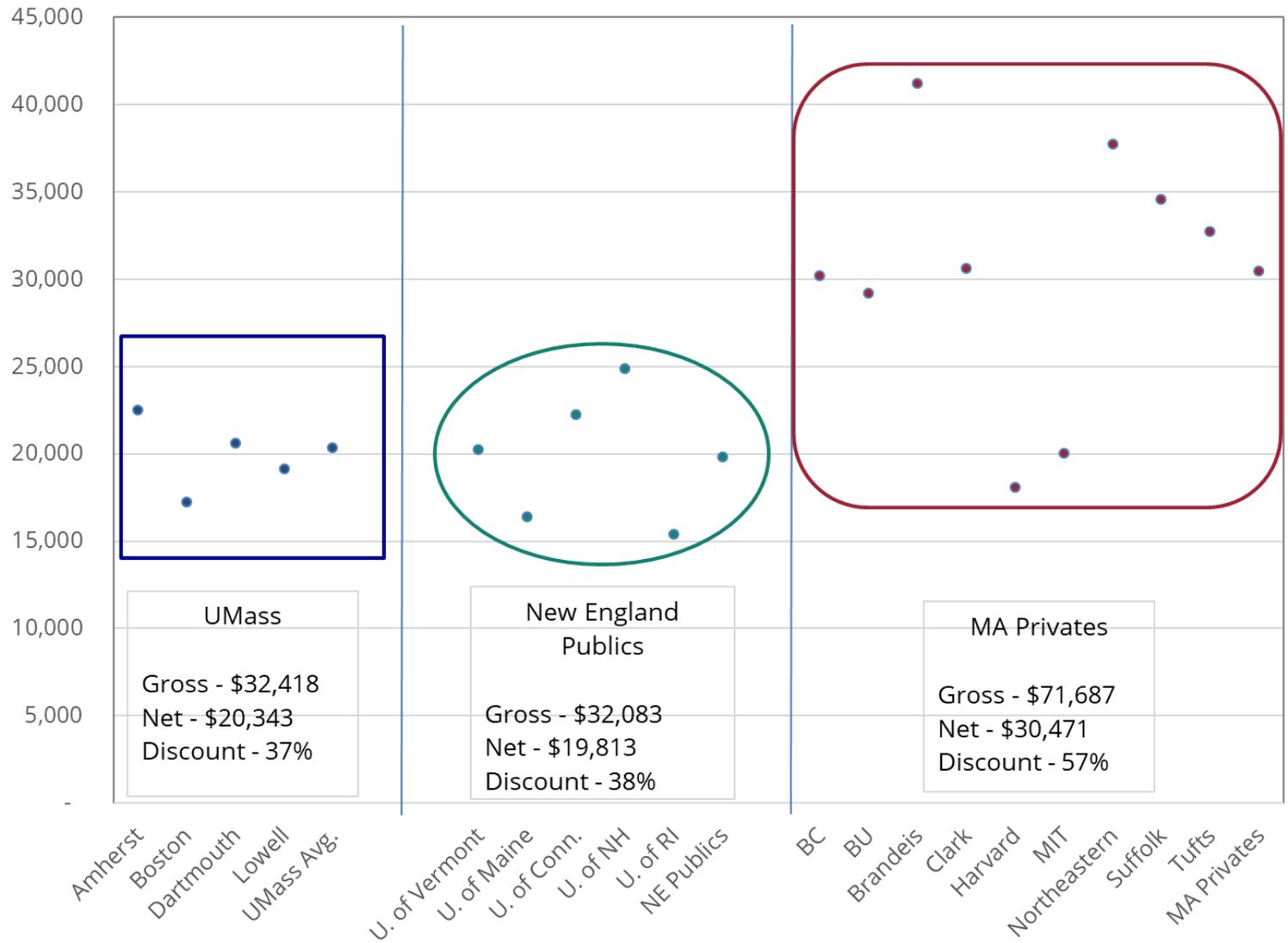
Defining Net Price

Key metric to demonstrate what students pay after all free aid is applied.



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

FY20 Net Price Regional Comparison



- UMass net prices remain competitive in the regional market across New England
- Affordability continues to be valued
 - Average net price at UMass is less expensive than the average of private institutions in Massachusetts by over \$10K

Key Takeaways

- ***UMass Investments in Student Financial Aid Continue to Grow***
 - University funded aid totaled \$373 million in FY22 which represents 8% growth over FY21
 - University maintained investments in financial aid; continuing to address student needs during the pandemic & recovery
- ***UMass Net Price Below MA Private Institutions and align with New England Public Peers***
 - In FY20, the latest published data, the net price is \$20,343 vs. other public universities average net price is \$19,813. Average net price for Massachusetts private institutions is \$30,471
- ***Student Debt Remains Consistent with Prior Years***
 - The average amount of debt at graduation for FY21 is \$31,200
 - Financial literacy education and strategies for student retention and graduation will help address student debt

FY22 Financial Aid Report Appendix

Board of Trustees

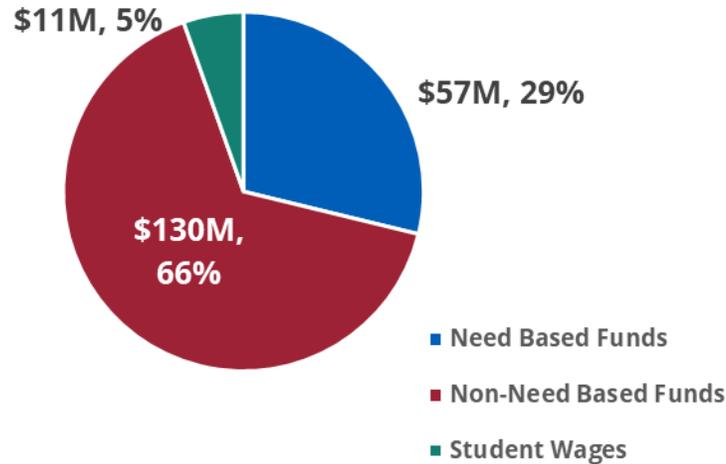
Administration & Finance Committee

April 6, 2022



Amherst

- Campus Funded Aid : FY21 = \$198 million



- FY21 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
\$17,622	\$ 3,968	57%	35%	9%

- UG In-State Student Net Price

2019-2020

Total Price	\$31,793
Average Net Price	\$22,505

- Student Debt

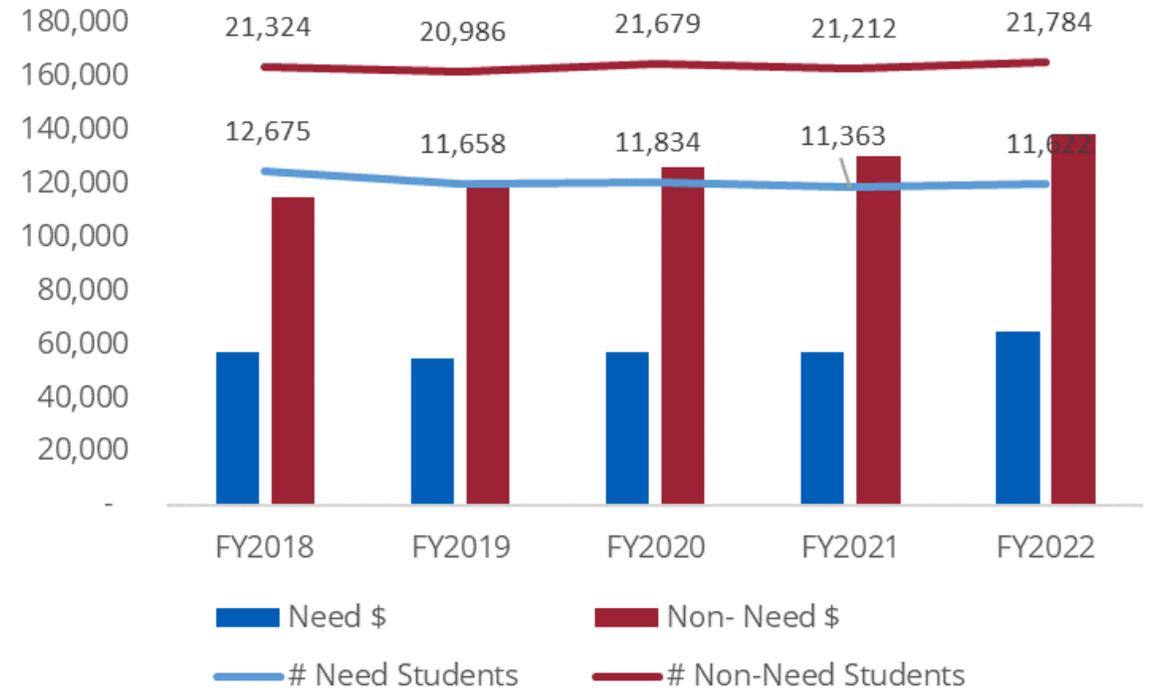
Amherst		
Year	% Graduating w/ Debt ⁽³⁾	Cohort Avg Debt at Graduation ⁽⁴⁾
2020 - 2021	62%	\$31,623
2019 - 2020	64%	\$32,928
2018 - 2019	62%	\$31,755
2017 - 2018	67%	\$31,897

Amherst – Campus Funded Aid Summary

\$ in Thousands

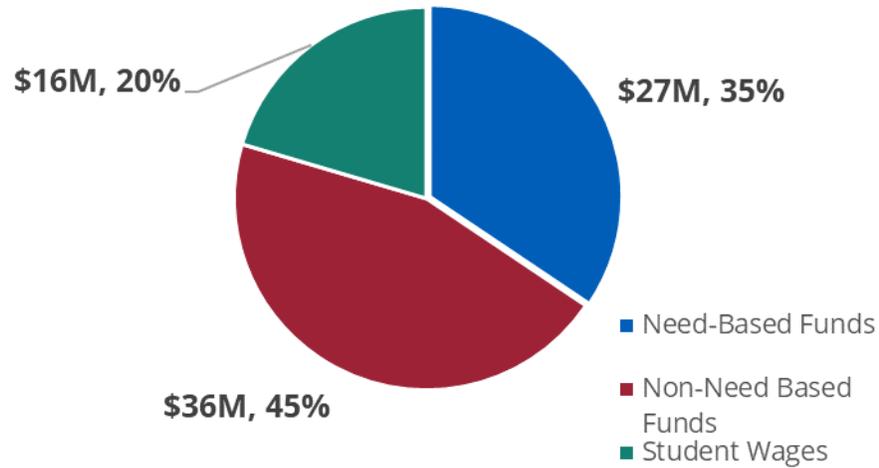
	FY2018	FY2019	FY2020	FY2021	FY2022
Total Need Aid (\$)	\$56,993	\$54,855	\$57,128	\$57,082	\$64,571
Total Students w/ Need Aid (HC)	12,675	11,658	11,834	11,363	11,622
Total Need Programs (#)	6	6	6	6	6
Total Non-Need Aid (\$)¹	\$114,734	\$121,019	\$126,372	\$130,396	\$138,407
Total Students w/ Non-Need Aid (HC)	21,324	20,986	21,679	21,212	21,784
Total Non-Need Programs (#)	34	34	34	34	34
Total Aid (\$)²	\$171,727	\$175,874	\$183,500	\$187,478	\$202,978

\$ in Thousands



Boston

- Campus Funded Aid : FY21 = \$80 million



- FY21 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
\$16,344	\$ 4,066	49%	35%	16%

- UG In-State Student Net Price

2019-2020	
Total Price	\$35,287
Average Net Price	\$17,231

- Student Debt

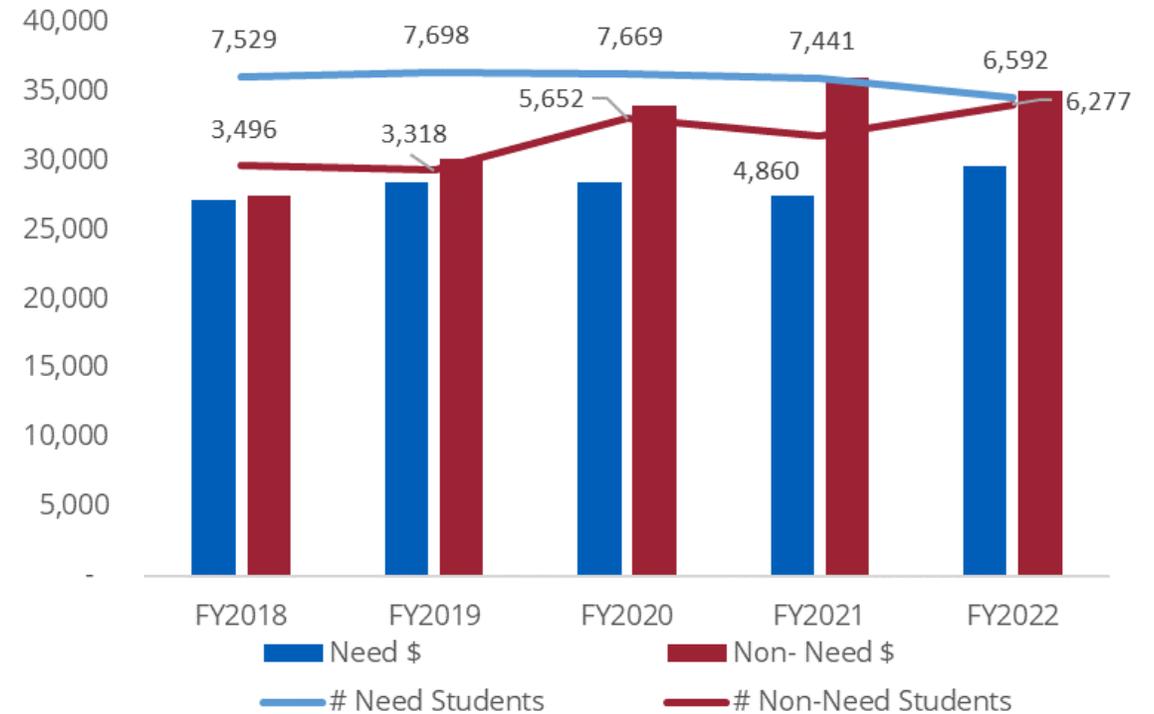
Boston		
Year	% Graduating Cohort w/ Debt ⁽³⁾	Avg Debt at Graduation ⁽⁴⁾
2020 - 2021	58%	\$25,477
2019 - 2020	53%	\$25,054
2018 - 2019	54%	\$25,645
2017 - 2018	59%	\$27,109

Boston – Campus Funded Aid Summary

\$ in Thousands

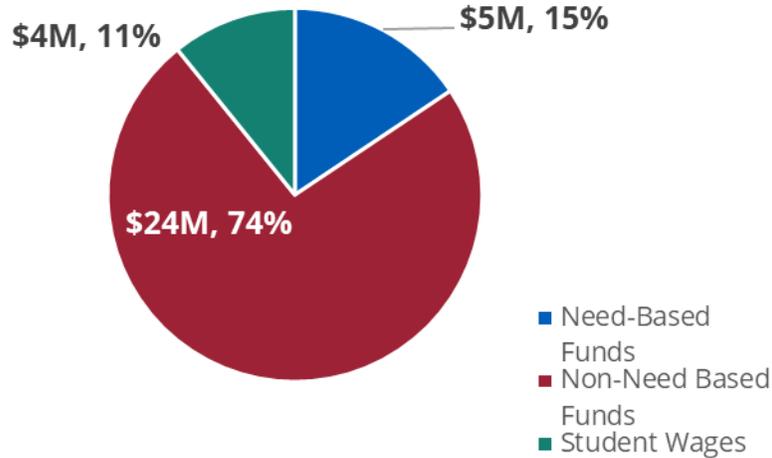
	FY2018	FY2019	FY2020	FY2021	FY2022
Total Need Aid (\$)	\$27,154	\$28,431	\$28,433	\$27,460	\$29,544
Total Students w/ Need Aid (HC)	7,529	7,698	7,669	7,441	6,592
Total Need Programs (#)	8	8	8	10	10
Total Non-Need Aid (\$) ¹	\$27,466	\$30,174	\$34,010	\$35,987	\$35,025
Total Students w/ Non-Need Aid (H)	3,496	3,318	5,652	6,173	6,277
Total Non-Need Programs (#)	160	195	198	206	206
Total Aid (\$) ²	\$54,620	\$58,605	\$62,443	\$63,447	\$64,569

\$ in Thousands



Dartmouth

- Campus Funded Aid : FY21 = \$32 million



- FY21 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
\$14,773	\$4,958	48%	45%	8%

- UG In-State Student Net Price

2019-2020	
Total Price	\$31,777
Average Net Price	\$20,612

- Student Debt

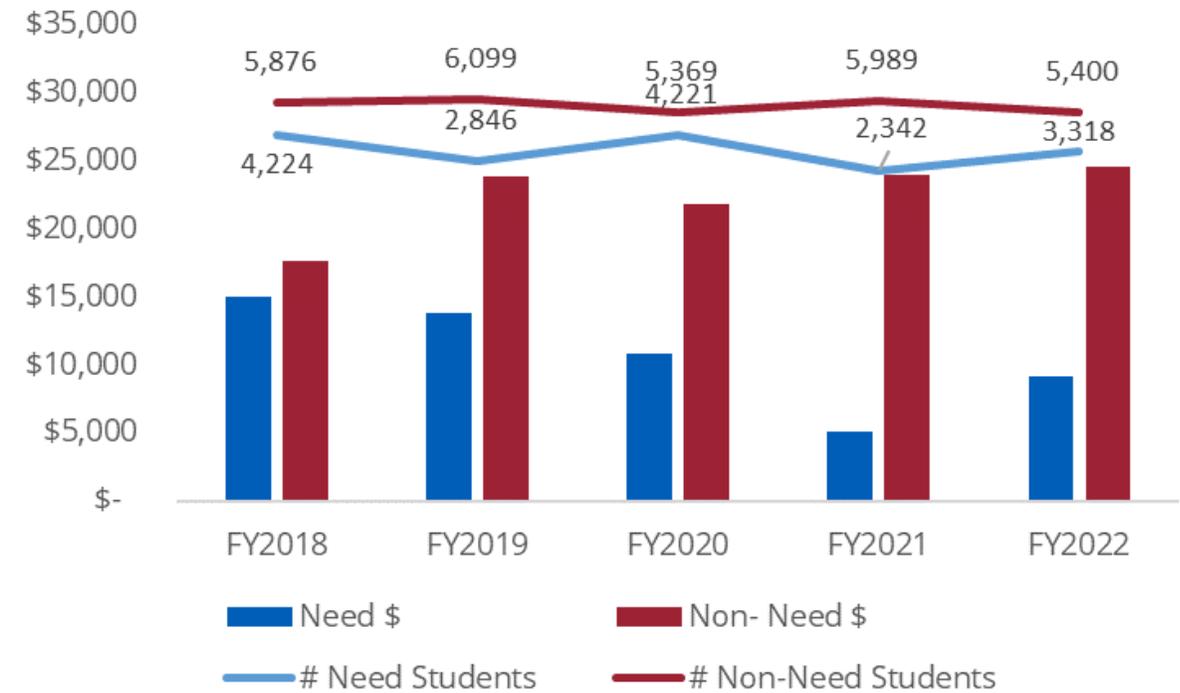
Dartmouth		
Year	% Graduating w/ Debt ⁽³⁾	Cohort Avg Debt at Graduation ⁽⁴⁾
2020 - 2021	83%	\$33,680
2019 - 2020	82%	\$35,204
2018 - 2019	84%	\$34,824
2017 - 2018	94%	\$29,070

Dartmouth – Campus Funded Aid Summary

\$ in Thousands

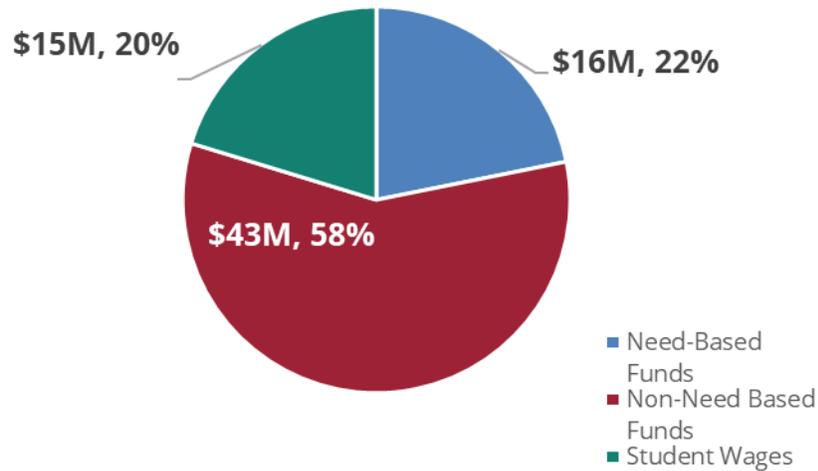
	FY2018	FY2019	FY2020	FY2021	FY2022
Total Need Aid (\$)	\$14,982	\$13,842	\$10,855	\$5,064	\$9,212
Total Students w/ Need Aid (HC)	4,224	2,846	4,221	2,342	3,318
Total Need Programs (#)	5	8	6	6	6
Total Non-Need Aid (\$)¹	\$17,607	\$23,827	\$21,848	\$23,895	\$24,541
Total Students w/ Non-Need Aid (HC)	5,876	6,099	5,369	5,989	5,400
Total Non-Need Programs (#)	15	30	171	171	171
Total Aid (\$)²	\$32,589	\$37,669	\$32,703	\$28,959	\$33,752

\$ in Thousands



Lowell

- Campus Funded Aid : FY20 = \$74 million



- FY21 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
\$13,630	\$ 2,180	48%	38%	13%

- UG In-State Student Net Price

2019-2020	
Total Price	\$31,332
Average Net Price	\$19,147

- Student Debt

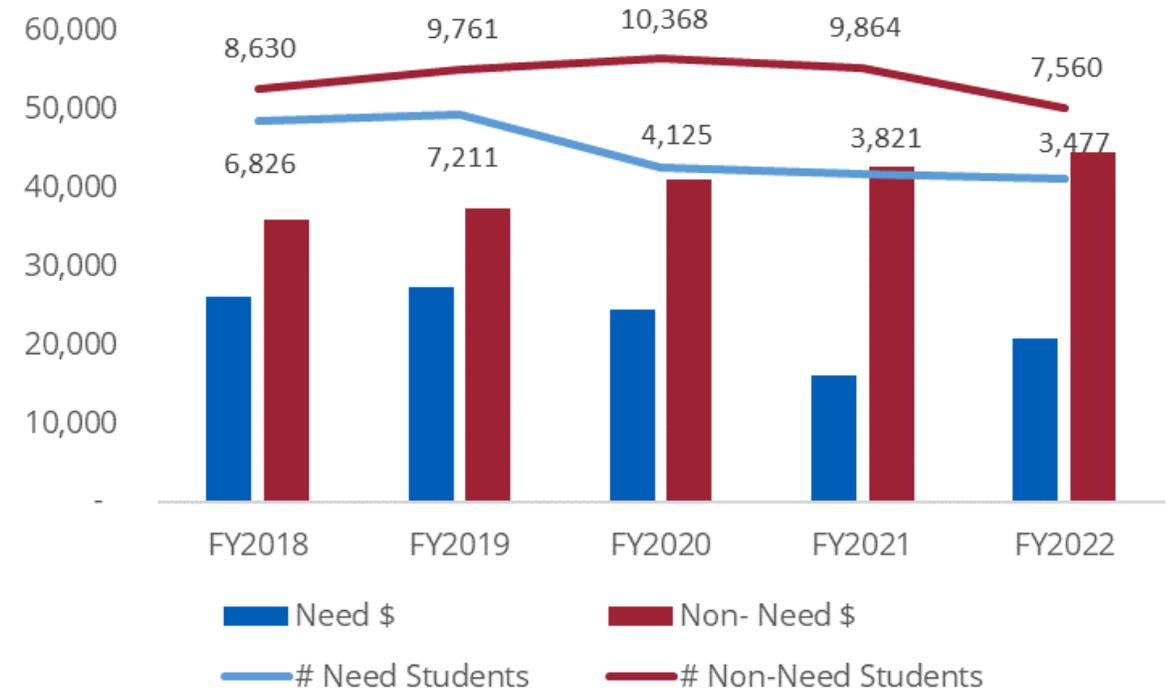
Lowell		
Year	% Graduating Cohort w/ Debt ⁽³⁾	Cohort Avg Debt at Graduation ⁽⁴⁾
2020 - 2021	75%	\$33,297
2019 - 2020	73%	\$33,500
2018 - 2019	74%	\$32,317
2017 - 2018	77%	\$32,178

Lowell – Campus Funded Aid Summary

\$ in Thousands

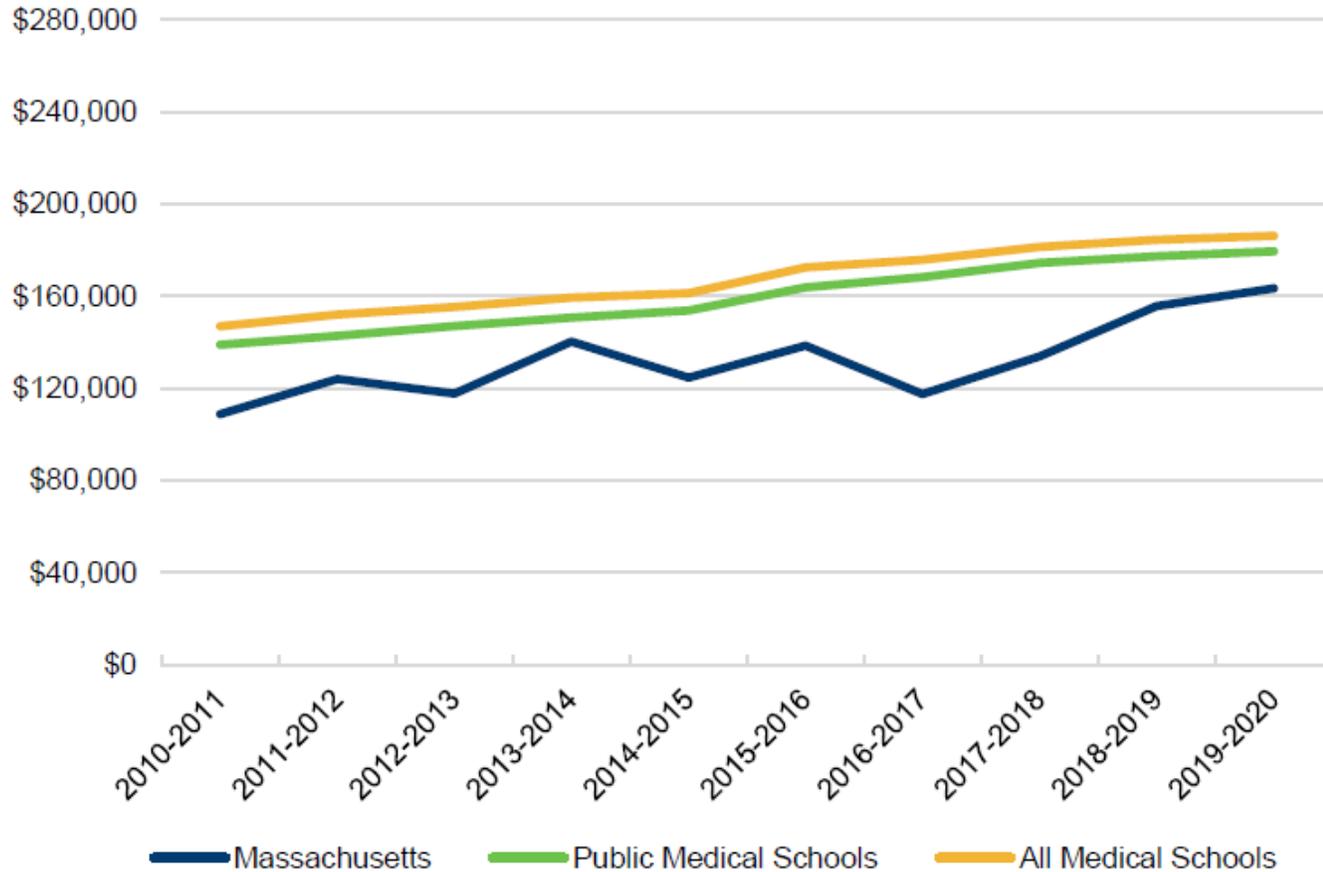
	FY2018	FY2019	FY2020	FY2021	FY2022
Total Need Aid (\$)	\$26,039	\$27,393	\$24,592	\$16,066	\$20,854
Total Students w/ Need Aid (HC)	6,826	7,211	4,125	3,821	3,477
Total Need Programs (#)	4	5	4	4	4
Total Non-Need Aid (\$)¹	\$35,971	\$37,402	\$40,964	\$42,604	\$44,424
Total Students w/ Non-Need Aid (HC)	8,630	9,761	10,368	9,864	7,560
Total Non-Need Programs (#)	582	567	595	595	595
Total Aid (\$)²	\$62,010	\$64,795	\$65,555	\$58,670	\$65,278

\$ in Thousands



Chan Medical School

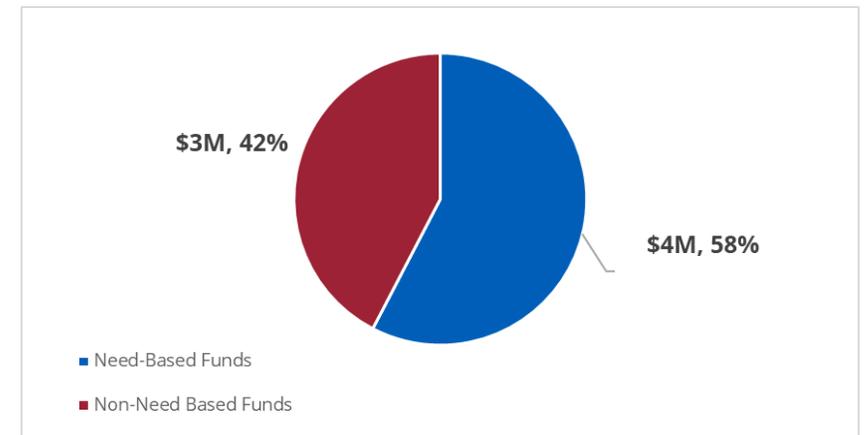
Average Medical School Debt of Indebted Graduates



Percentage of Graduates with Medical School Debt

Massachusetts	92.6%
Public Medical Schools	73.3%
All Medical Schools	71.8%

Institutional Aid : FY21 = \$7 million

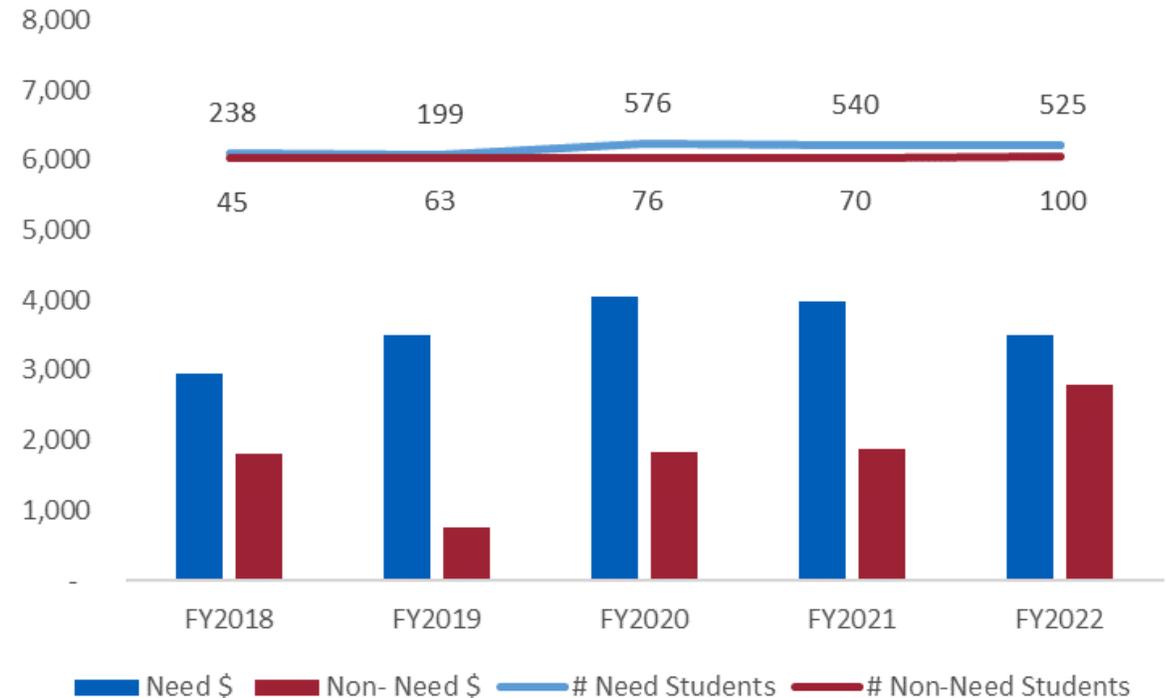


Chan Medical School – Campus Funded Aid Summary

\$ in Thousands

	FY2018	FY2019	FY2020	FY2021	FY2022
Total Need Aid (\$)	\$2,961	\$3,501	\$4,047	\$3,987	\$3,512
Total Students w/ Need Aid (HC)	238	199	576	540	525
Total Need Programs (#)	96	96	96	105	114
Total Non-Need Aid (\$) ¹	\$1,819	\$752	\$1,825	\$1,872	\$2,803
Total Students w/ Non-Need Aid (HC)	45	63	76	70	100
Total Non-Need Programs (#)	5	5	5	4	6
Total Aid (\$) ²	\$4,779	\$4,253	\$5,872	\$5,858	\$6,314

\$ in Thousands

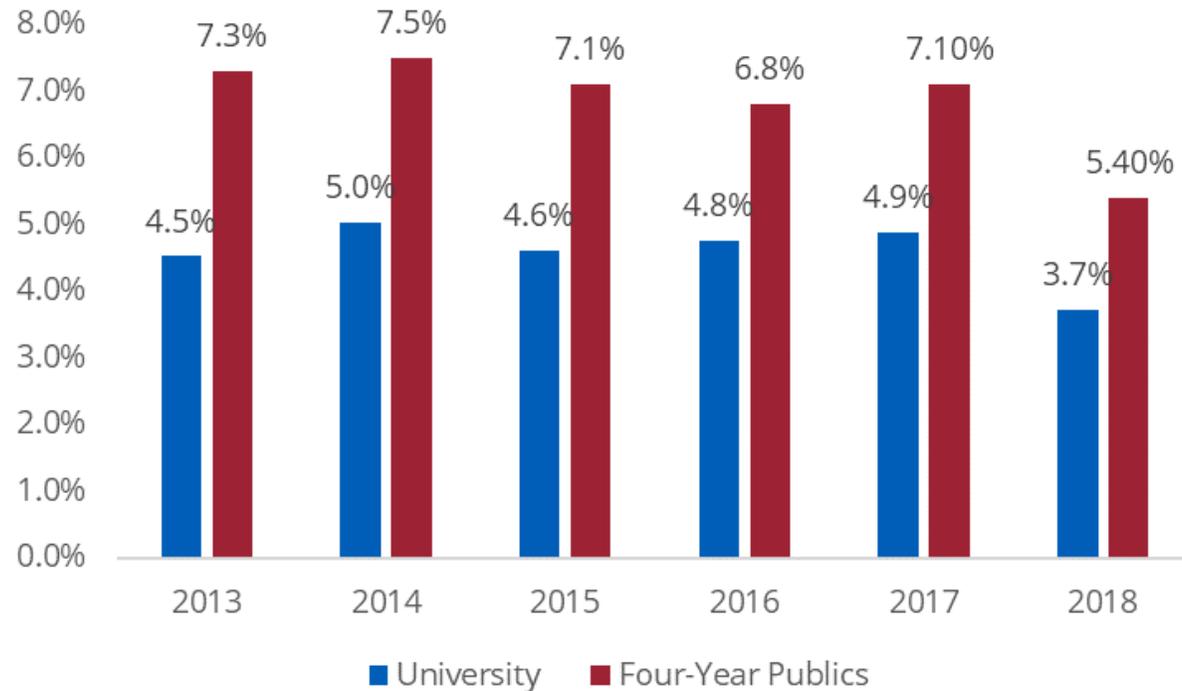


Appendix

Other Key Metrics & Definitions



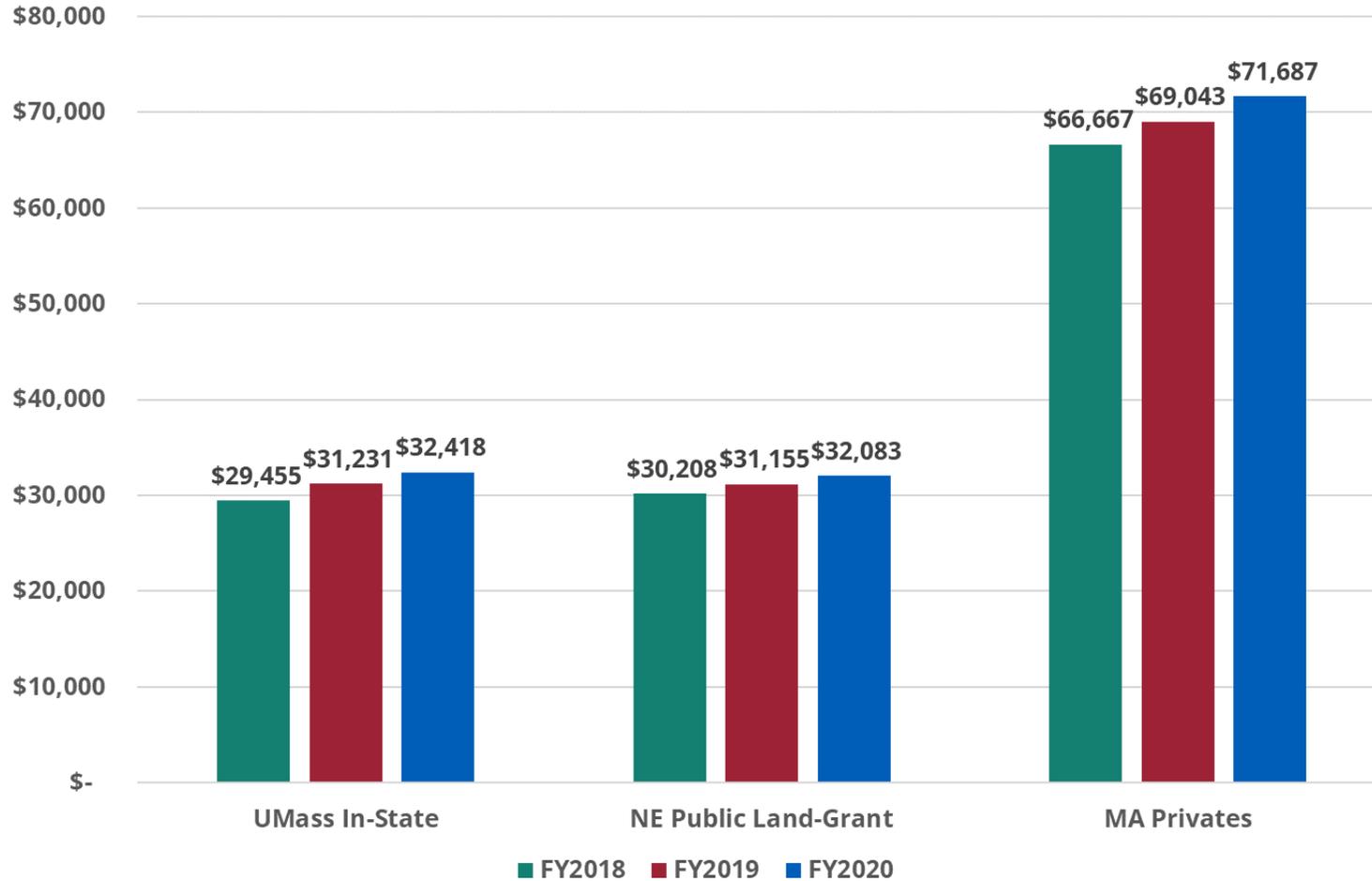
Cohort Default Rate



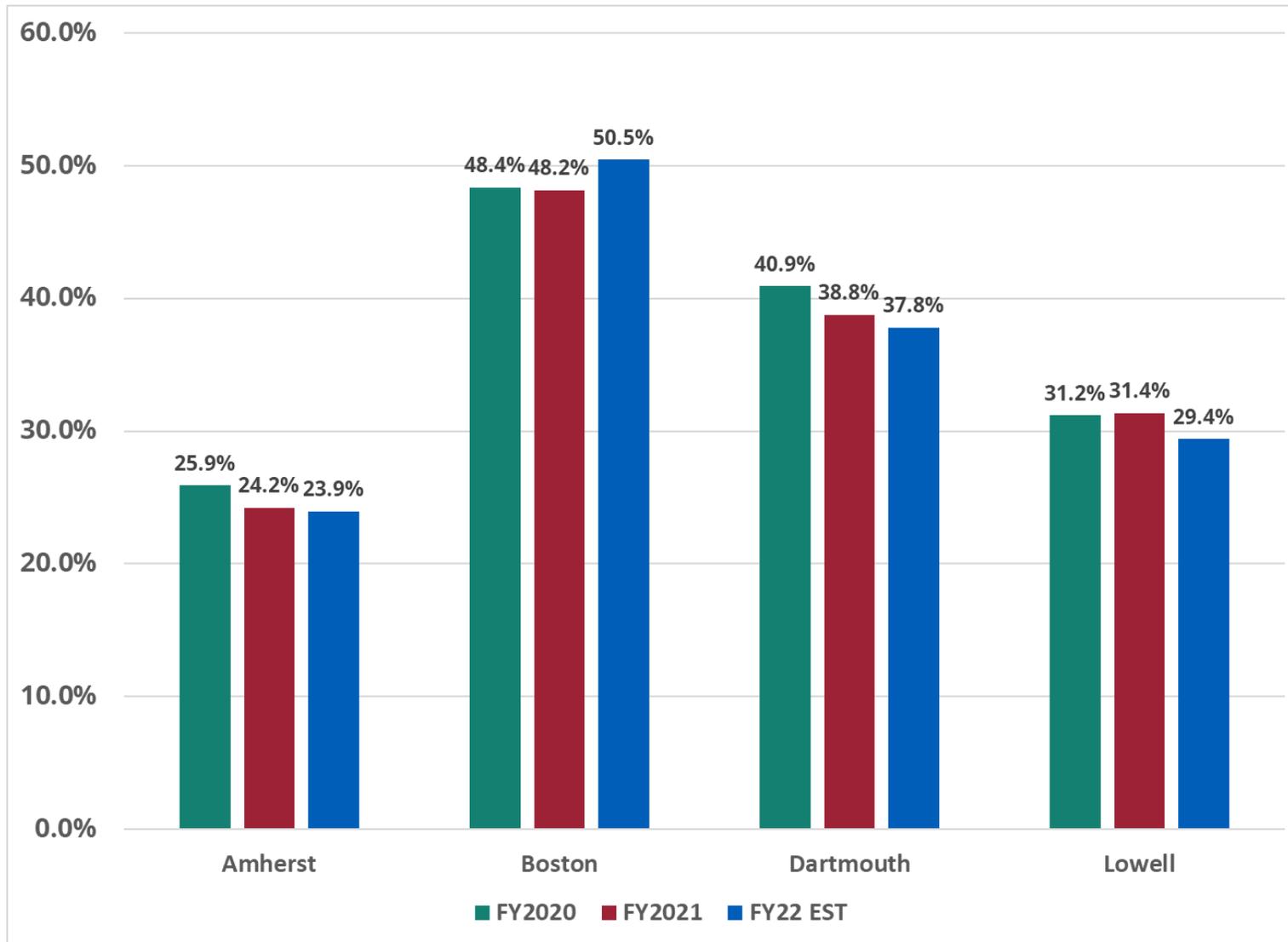
- Cohort = number of borrowers required to begin paying back student loans in that year
- Default Rate = percent of students who were in the cohort and missed payments
- Cohort Default Rate = published in 2021 and measures the percent of borrowers who entered repayment of student loans in 2018 and defaulted in 2018, 2019 or 2020

FY20 Total Price Regional Comparison

Total Price for In-State Students Living On-Campus
FY2018-FY2020



Percentage of In-State Undergraduates Receiving Pell Grants



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

TOTAL STUDENT AID				
<i>(\$ in Thousands)</i>				
Campus	FY20 Actual	FY21 Actual	FY22 Estimate	Student Total
Amherst	8,882	9,116	25,593	43,592
Boston	2,527	9,219	19,000	30,745
Dartmouth	460	5,069	9,991	15,520
Lowell	2,726	5,297	14,960	22,983
Chan Medical School	122	188	398	708
Total	14,717	28,889	69,942	113,549

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 over \$43.6 million in direct grants from the federal funding allocated
- The campuses are planning to disperse remaining \$70 million in aid during the current fiscal year

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.