

# FY23 Financial Aid Report

Board of Trustees - Administration & Finance Committee

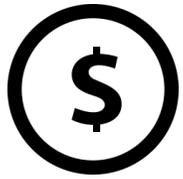
April 5, 2023



University of Massachusetts

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

# UMass is committed to access and affordability



**\$395 million:** Annual financial aid generated by UMass tuition pricing/free aid strategy, up 88% over the past decade



On a per student basis University-generated aid has grown almost **3X** as fast as net tuition & fee revenue since 2019



**81%** of University-generated aid goes to in state students, well above their 73% share of total enrollment



**\$20,343** average annual net price\* at UMass is just 2/3rds of the average Massachusetts private institution price

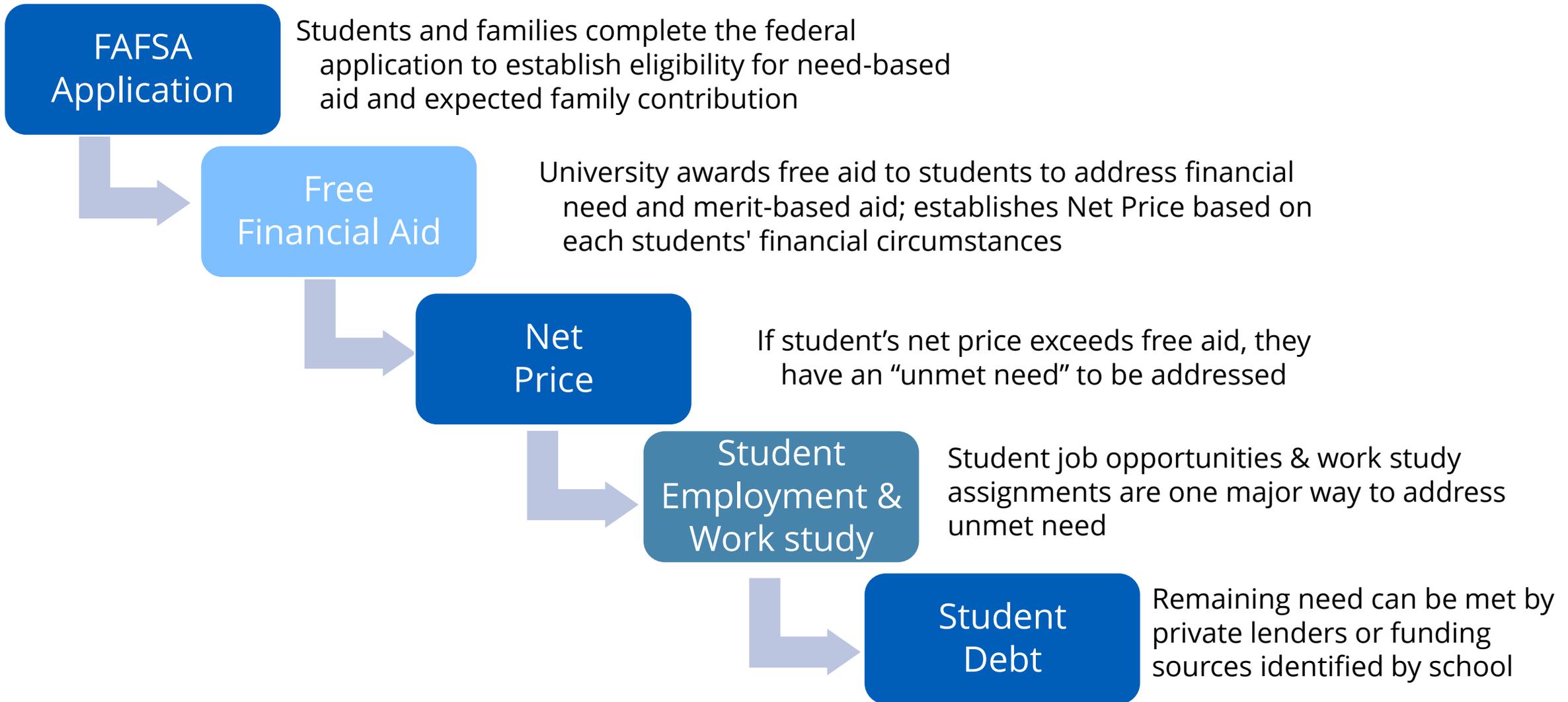


Depending on campus, **24% to 50%** of in state undergraduates, or **~15k** students, receive Pell Grants - financial need consistently remains large



UMass strategy has succeeded in holding average student debt at graduation relatively flat for a decade at **\$29,939** - a real decline in debt in inflation-adjusted dollars

# How you pay for college 101



# Understanding the components of financial aid

University-generated aid is primarily awarded to students as grants, scholarships, and credits.

## Free Financial Aid

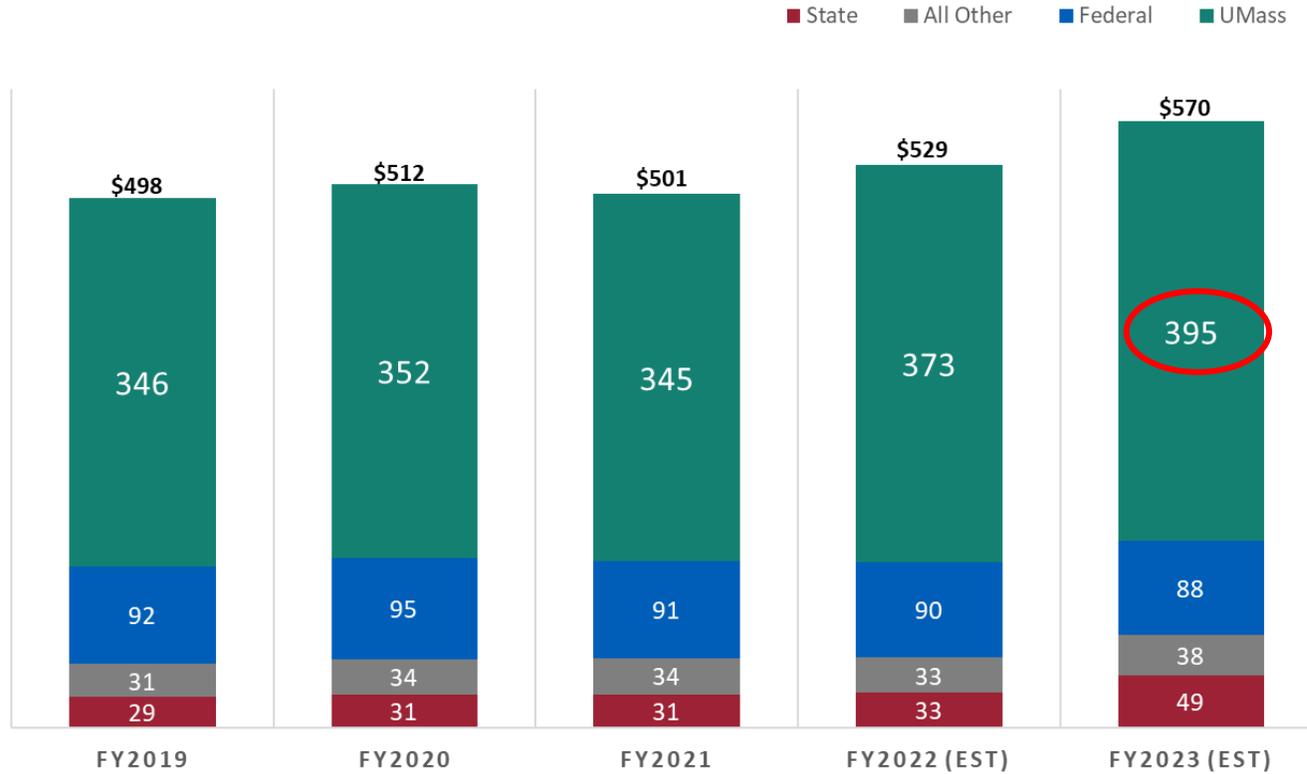
- **Grants/Scholarships** – financial aid to students which does not have to be repaid
- **Waivers/Credits** – targeted and need-based discounts that directly reduce a student's bill
  - UMass-generated aid (**\$395M**) includes institutional financial need-based programs and merit aid such as Chancellor's Scholarships awarded based on strong academic achievement and personal achievement
  - Federal aid (**\$88M**) such as Federal Pell Grants awarded based on financial need
  - State aid (**\$49M**) such as MASSGrant/Plus awarded based on financial need

## Student Employment & Work Study

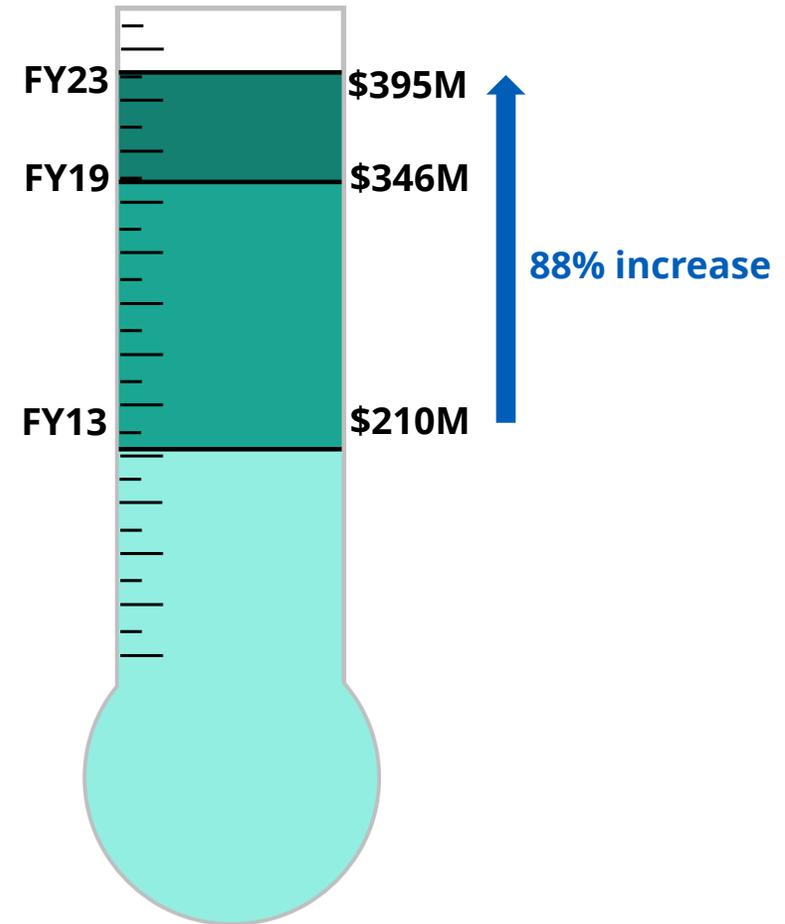
- On- or off-campus jobs to earn money to pay for school

# UMass has steadily increased University-generated aid

DOLLARS IN MILLIONS



University-Generated Aid

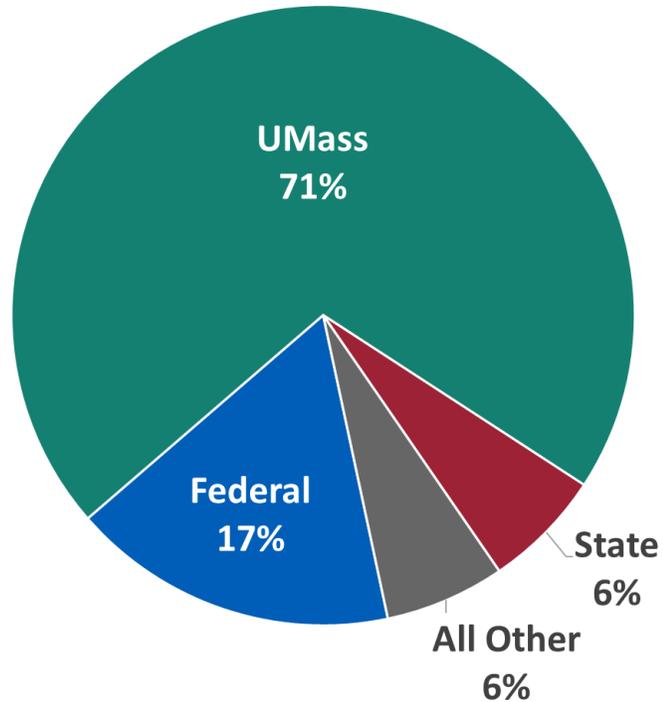


- University-generated financial aid grew nearly **20%** in the last five years while all other sources remained nearly flat
- 88% growth in University-generated financial aid over 10 years compared to 30% growth in tuition & fee rates

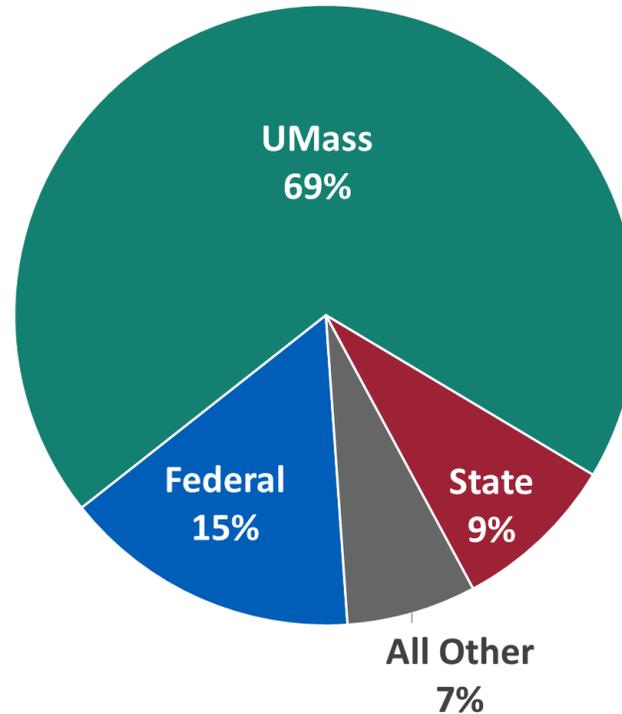
# UMass students' largest source of free aid is *UMass-generated* aid

MassGrant Plus expansion to UMass has significantly increased State share of free aid

FY2022 Projection



FY2023 Projection

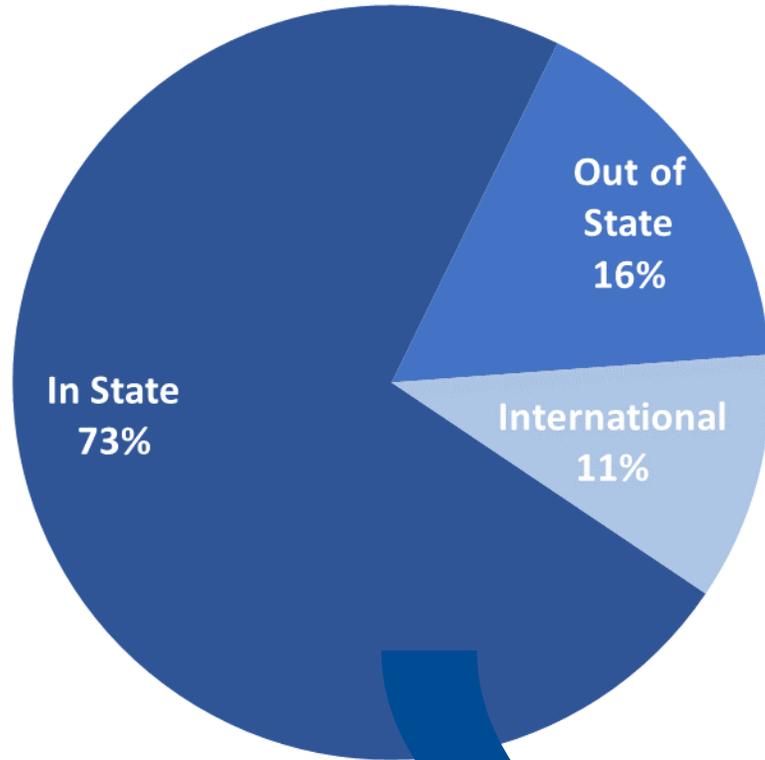


## For Fiscal Year 2023:

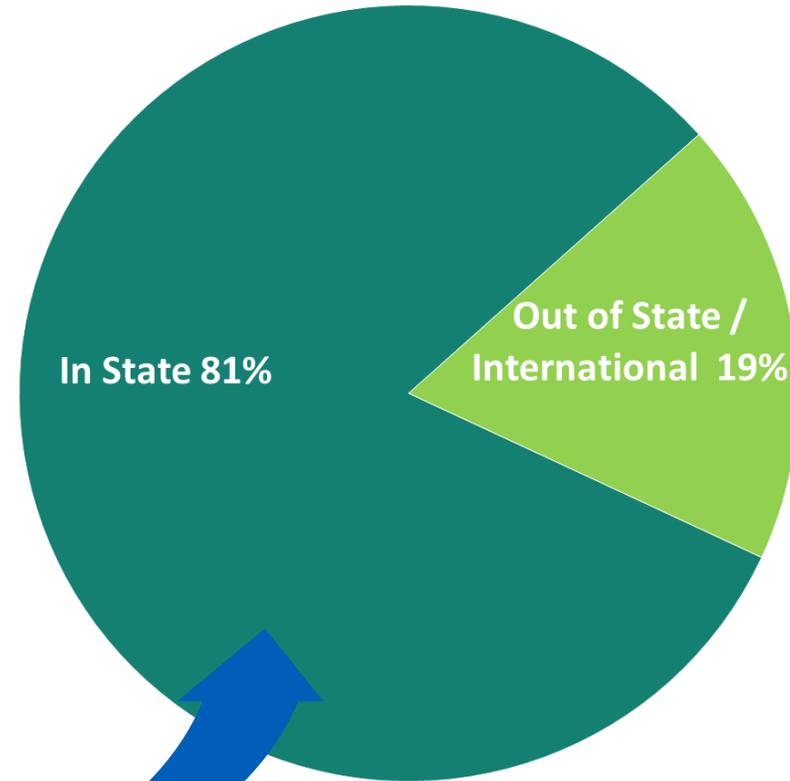
- 69% (\$395M) was University-generated financial aid, including grants, employment, scholarships & credits
- 15% (\$88M) Federal free aid, largely Pell grants
- 9% (\$49M) State free aid
- 7% (\$38M) Private free aid

# UMass aid strategy strongly benefits in state students

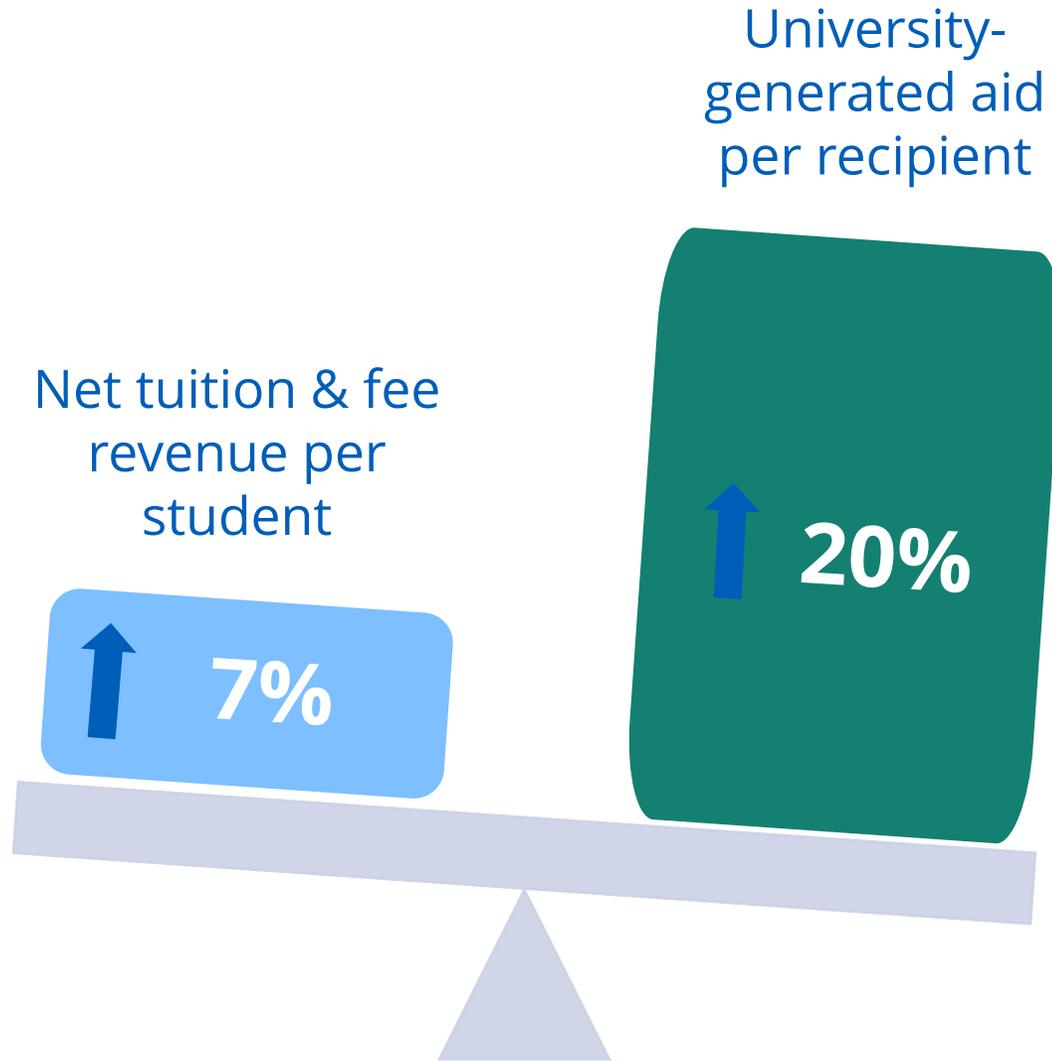
Shares of Total Enrollment



Who Receives University-Generated Aid?



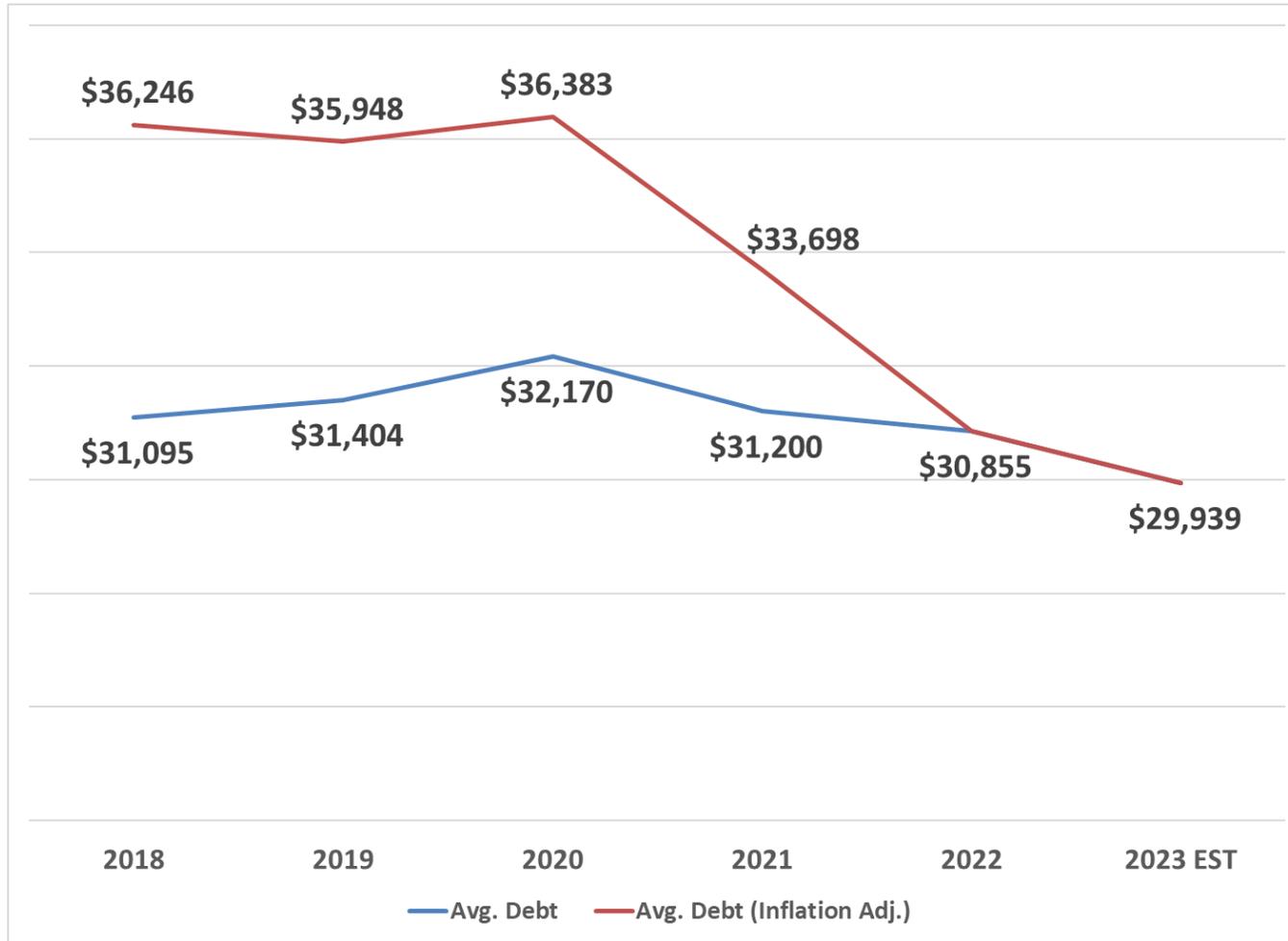
# Since 2019, UMass has grown aid per student almost 3X as fast as tuition & fees revenue



- The rate of aid growth eclipsing tuition revenue growth is fueling affordability for students and families
- Tuition revenue remains the primary funding source for university-generated aid

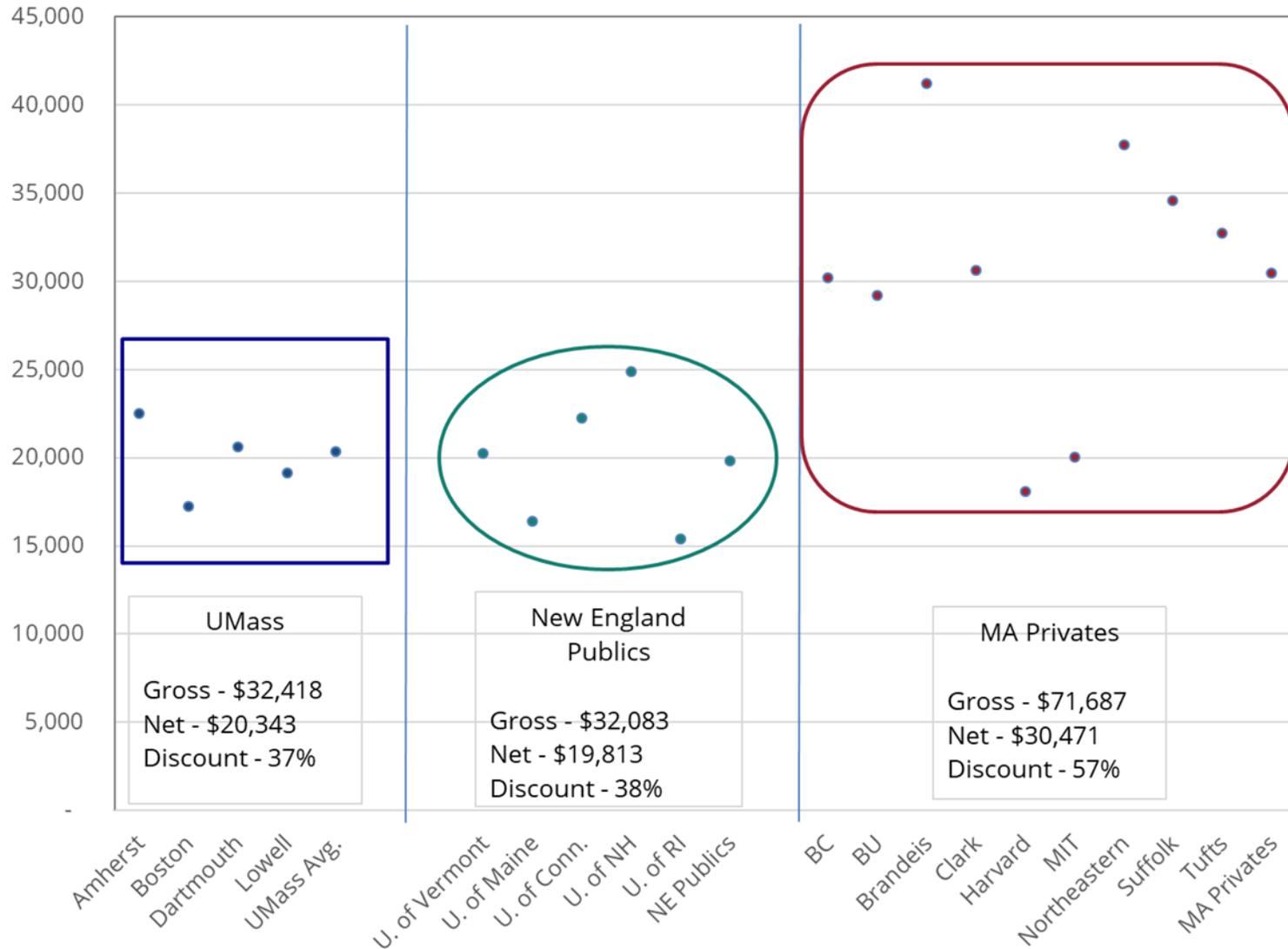
# Average Undergraduate student debt has recently remained stable and declined in inflation-adjusted dollars

Since 2018, the total amount of student debt borrowed has declined by 6%



- The percentage of Undergraduates graduating with debt has declined **10%** since 2013
- In FY23, scholarship/grant aid in total exceeds student loan borrowing by **\$139M** illustrating the impact of free aid reducing the need for borrowing

# FY20 Net Price Regional Comparison



- Recent data shows COVID impacts on cost of attendance, distorting some campus net prices & comparisons
- 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***
  - Annual financial aid generated by UMass (**\$395M**) tuition pricing/free aid strategy, up 88% over the past decade; 5% growth over FY22
  - 81% of UMass aid goes to in state students, well above their 73% share of total enrollment
- ***UMass Net Price Below MA Private Institutions and align with New England Public Peers***
  - \$20,343 average annual net price (FY20) at UMass is just 2/3rds of the average Massachusetts private institution price
- ***Student debt remains flat in recent years but a real decline in inflation-adjusted dollars***
  - The average amount of debt at graduation for FY23 is \$29,939
- **UMass faces limits on growing University-generated aid**
  - Must pursue many strategies to grow the pie, including through increased Commonwealth support - because investing in UMass students invests in Massachusetts' future

# FY23 Financial Aid Report Appendices

Board of Trustees

Administration & Finance Committee

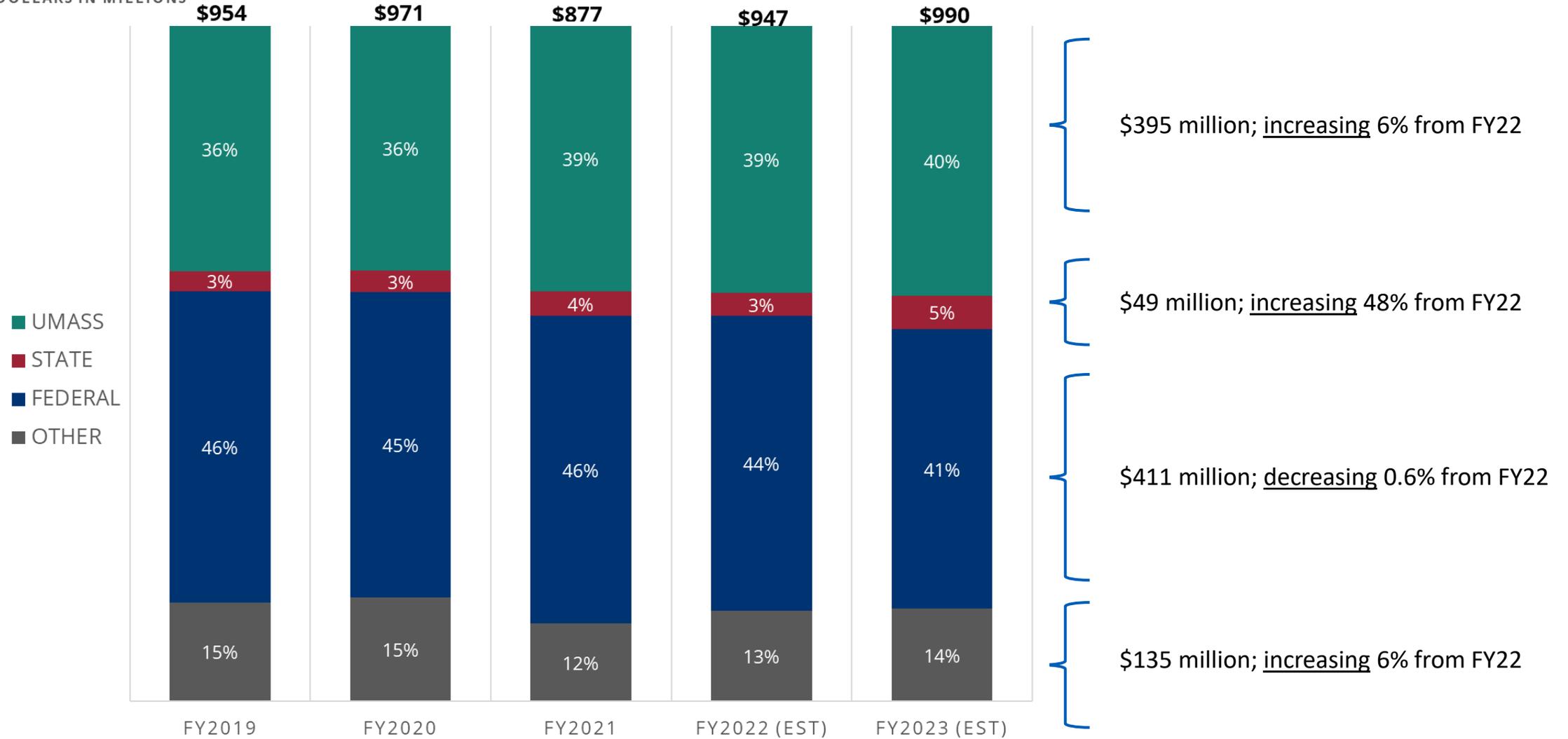
April 5, 2023



# Appendix 1. – University Data

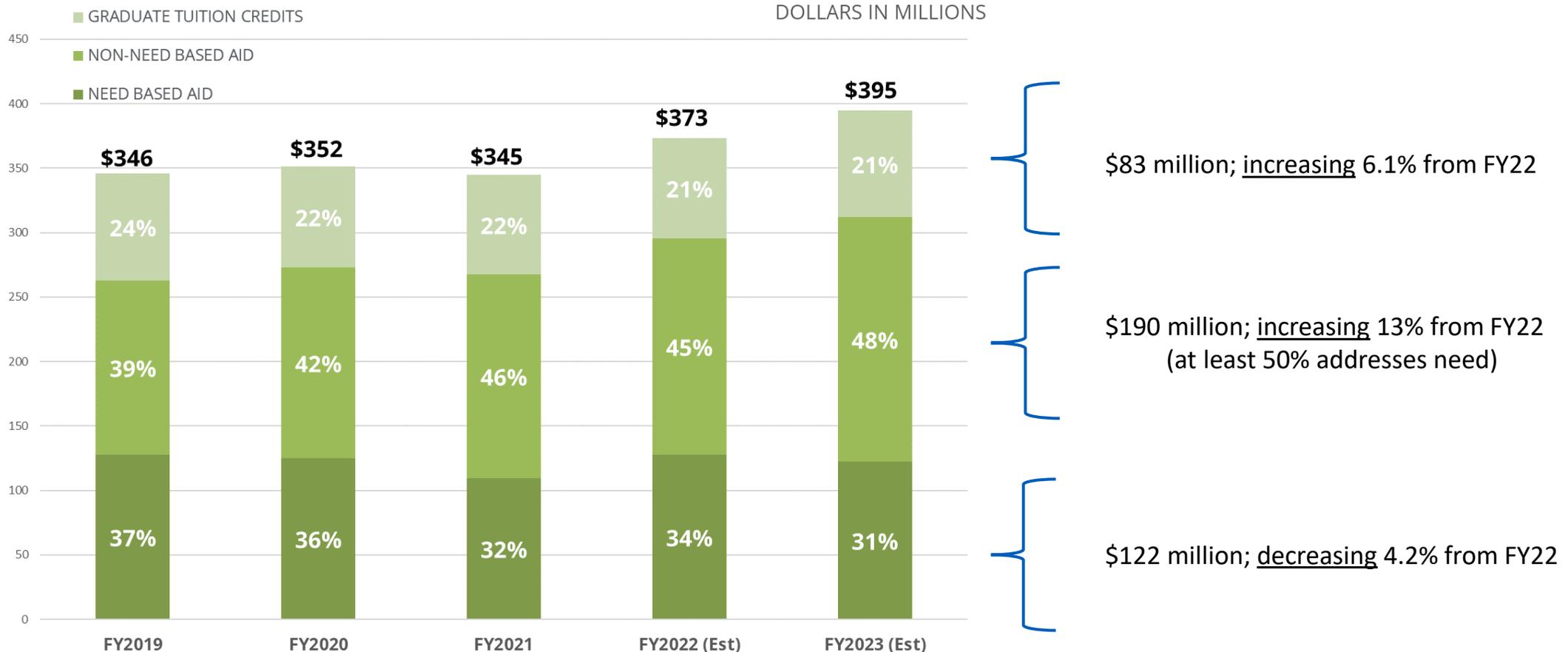
# Total Sources of Financial Aid including Free Aid and Loans

DOLLARS IN MILLIONS



# Total University-generated financial aid by 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.*

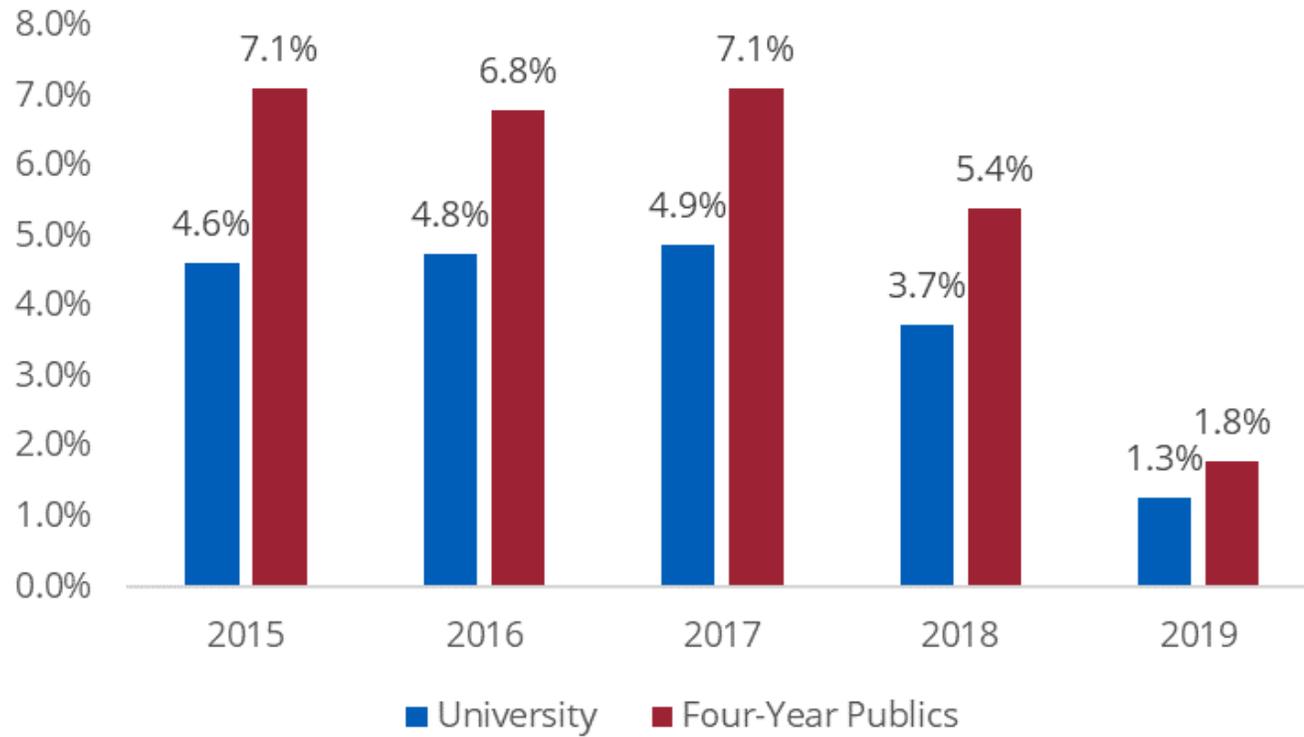


# Average Financial Aid Package: In-State Undergraduates with Need

Federal Income Range	Average Financial Aid Package	Free Aid Award	% of package	Loan Award	% of package	Work Award	% of package	Average Unmet Need
Less than \$30,000	\$21,196	\$12,072	57%	\$7,071	33%	\$2,053	10%	\$4,788
\$30,000 - \$40,000	\$20,369	\$11,726	58%	\$6,594	32%	\$2,049	10%	\$4,330
\$40,001 - \$50,000	\$19,870	\$11,547	58%	\$6,292	32%	\$2,031	10%	\$4,074
\$50,001 - \$75,000	\$18,015	\$9,640	54%	\$6,326	35%	\$2,049	11%	\$3,695
\$75,001 - \$100,000	\$14,322	\$6,289	44%	\$6,097	43%	\$1,936	14%	\$2,894
Greater than \$100,000	\$9,200	\$3,177	35%	\$4,540	49%	\$1,483	16%	\$1,509

- 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

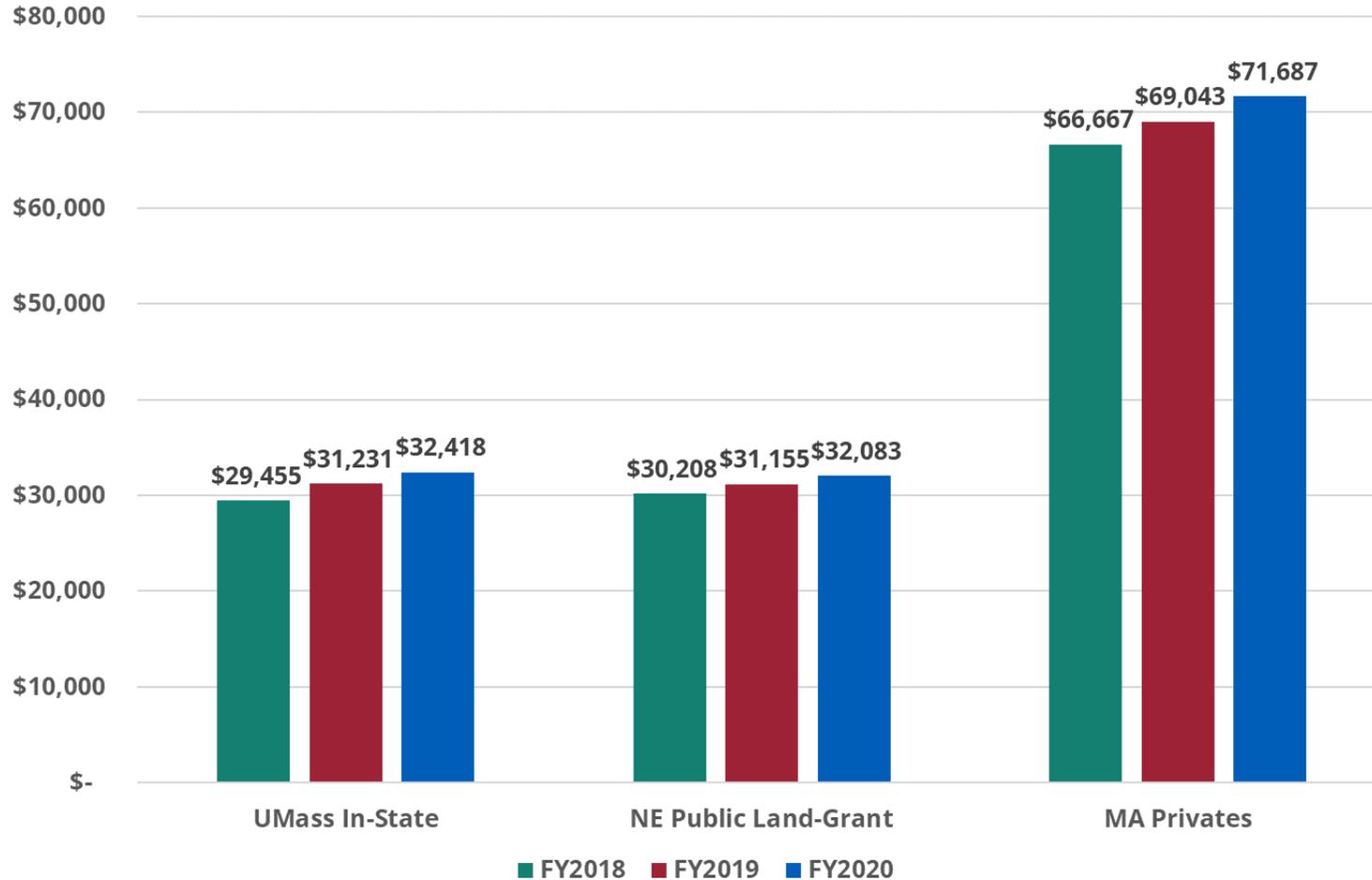
# Cohort Default Rate



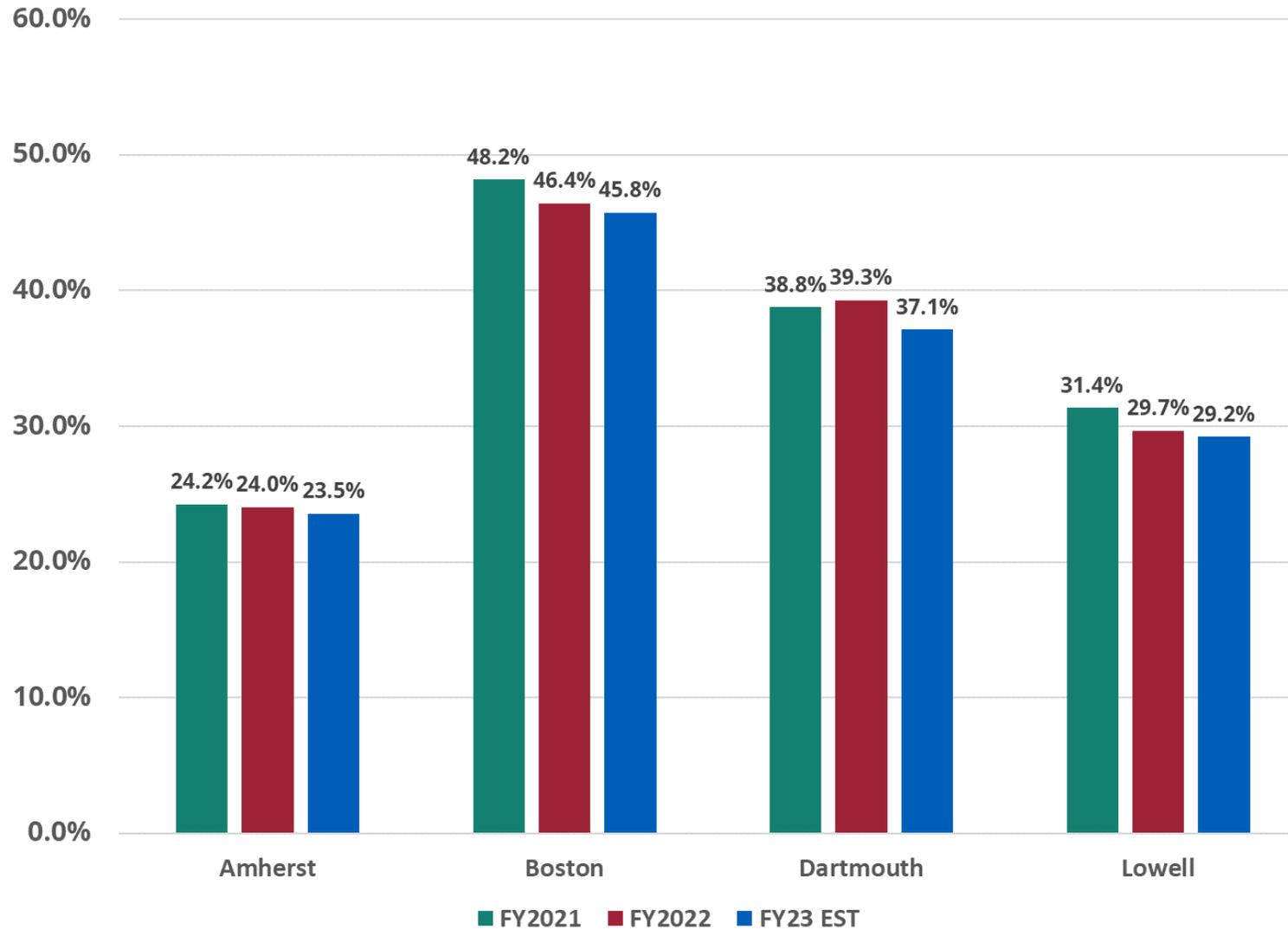
- Cohort = number of borrowers required to begin paying back student loans in that year
- Default Rate = percent of students who were in the cohort and missed payments
- Cohort Default Rate = published in 2022 and measures the percent of borrowers who entered repayment of student loans in 2019 and defaulted in 2019, 2020 or 2021

# FY20 Total Price Regional Comparison

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



# Percentage of In-State Undergraduates Receiving Pell Grants

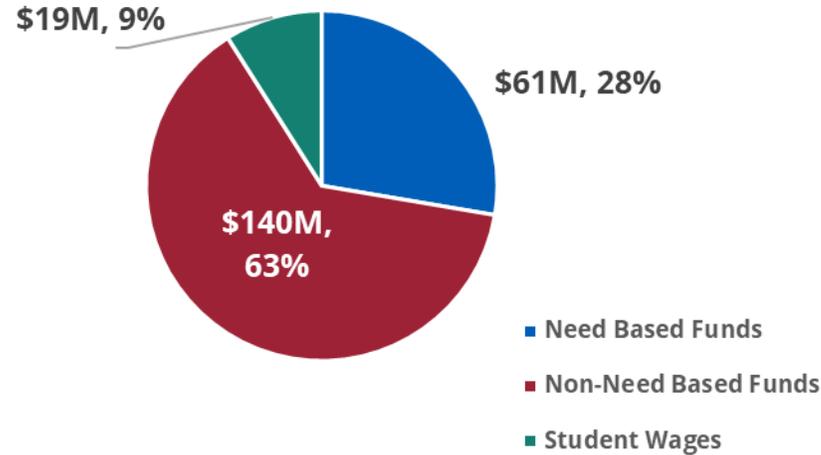


# Appendix 2. – Campus Data



# Amherst

- Campus Funded Aid : FY22 = \$221 million



- FY22 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
\$ 18,834	\$ 3,559	61%	39%	9%

- UG In-State Student Net Price

2019-2020	
<b>Total Price</b>	\$31,793
<b>Average Net Price</b>	\$22,505

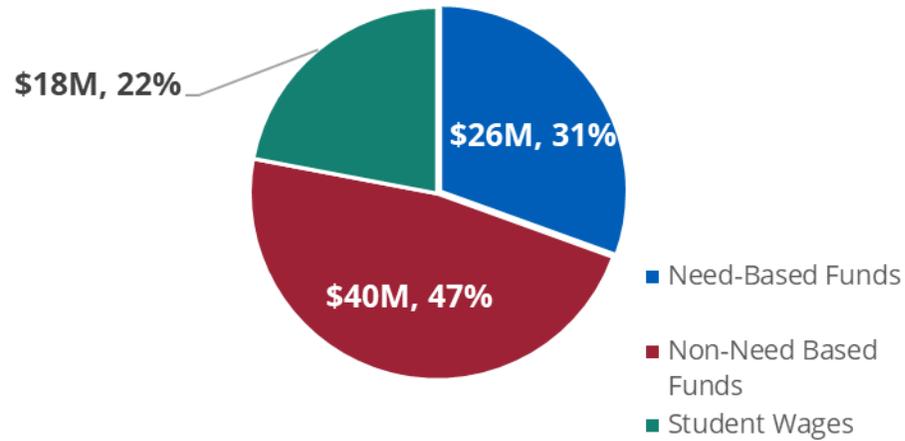
- Student Debt

## Amherst

Year	% Graduating w/ Debt <sup>(3)</sup>	Cohort Avg Debt at Graduation <sup>(4)</sup>
2021 - 2022	60%	\$31,480
2020 - 2021	62%	\$31,623
2019 - 2020	64%	\$32,928
2018 - 2019	62%	\$31,755

# Boston

- Campus Funded Aid : FY22 = \$84 million



- FY22 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
\$ 15,423	\$ 3,502	49%	36%	15%

- UG In-State Student Net Price

2019-2020	
<b>Total Price</b>	\$35,287
<b>Average Net Price</b>	\$17,231

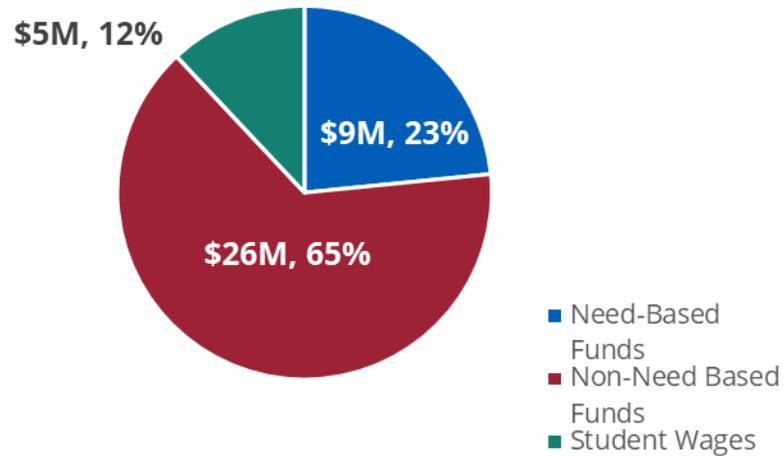
- Student Debt

## Boston

Year	% Graduating w/ Debt <sup>(3)</sup>	Cohort Avg Debt at Graduation <sup>(4)</sup>
2021 - 2022	66%	\$27,117
2020 - 2021	58%	\$25,477
2019 - 2020	53%	\$25,054
2018 - 2019	54%	\$25,645

# Dartmouth

- Campus Funded Aid : FY22 = \$40 million



- FY22 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
\$16,560	\$ 4,649	49%	43%	8%

- UG In-State Student Net Price

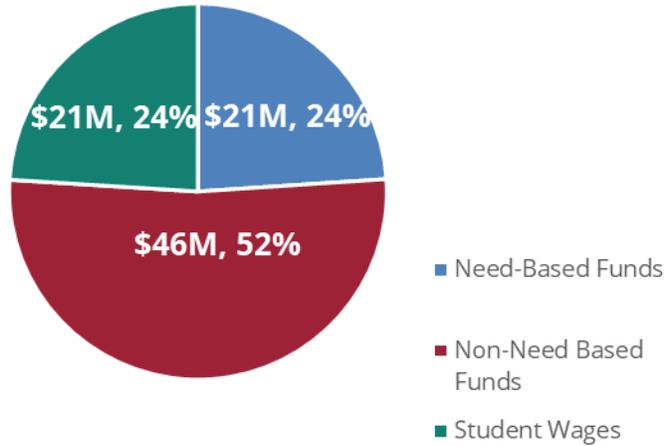
2019-2020	
<b>Total Price</b>	\$31,777
<b>Average Net Price</b>	\$20,612

- Student Debt

Dartmouth		
Year	% Graduating w/ Debt <sup>(3)</sup>	Cohort Avg Debt at Graduation <sup>(4)</sup>
2021 - 2022	77%	\$31,651
2020 - 2021	83%	\$33,680
2019 - 2020	82%	\$35,204
2018 - 2019	84%	\$34,824

# Lowell

- Campus Funded Aid : FY22 = \$88 million



- FY22 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
\$15,509	\$ 2,196	50%	35%	15%

- UG In-State Student Net Price

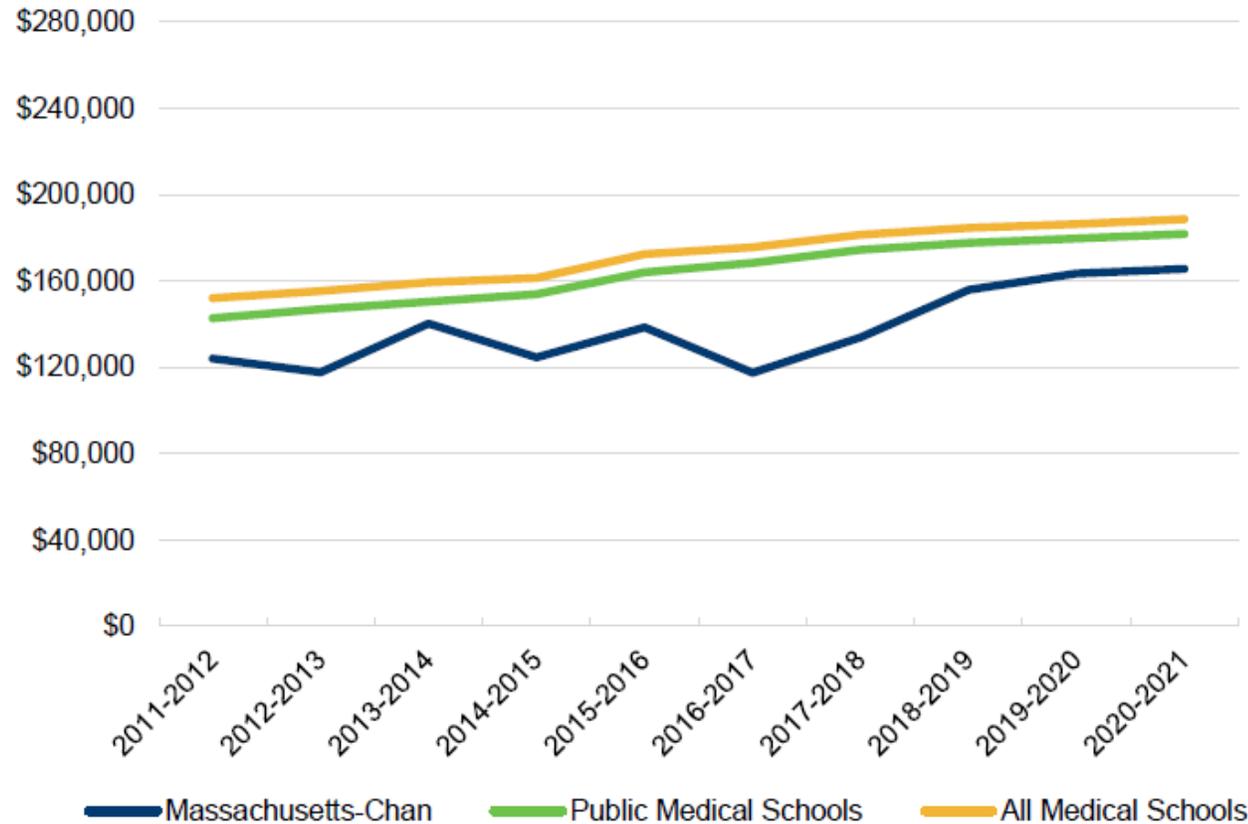
2019-2020	
<b>Total Price</b>	\$31,332
<b>Average Net Price</b>	\$19,147

- Student Debt

Lowell		
Year	% Graduating w/ Debt <sup>(3)</sup>	Cohort Avg Debt at Graduation <sup>(4)</sup>
2021 - 2022	74%	\$31,528
2020 - 2021	75%	\$33,297
2019 - 2020	73%	\$33,500
2018 - 2019	74%	\$32,317

# Chan Medical School

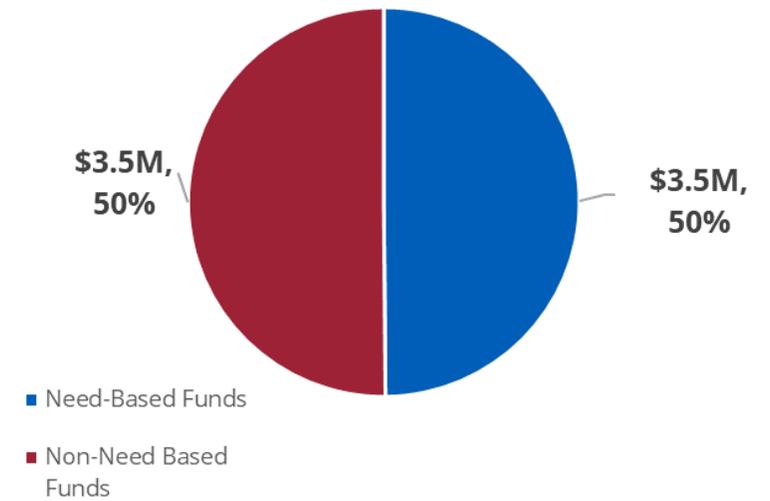
**Average Medical School Debt of Indebted Graduates**



**Percentage of Graduates with Medical School Debt**

Massachusetts-Chan	83.4%
Public Medical Schools	74.0%
All Medical Schools	72.2%

Institutional Aid : FY21 = \$7 million



# Appendix 3. - Definitions



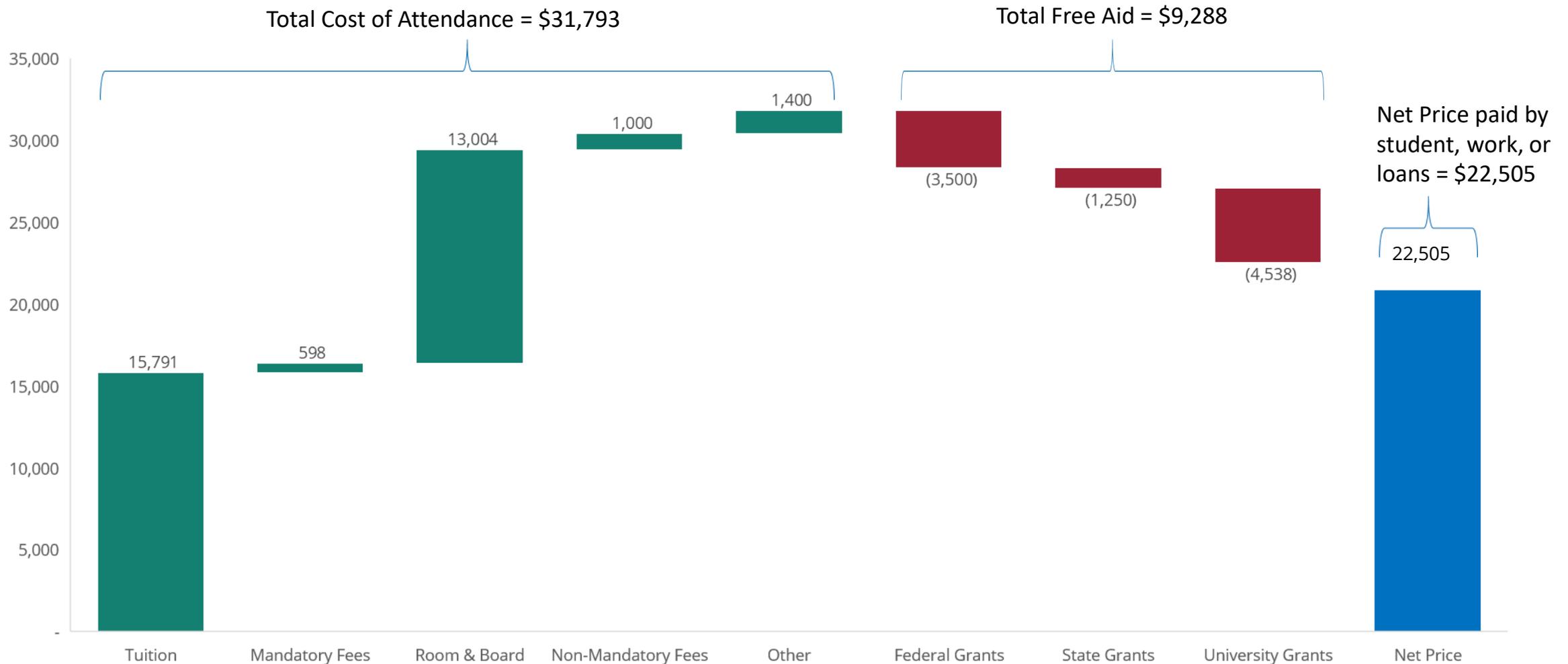
# Types of Aid

- 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		

# Defining Net Price – An example student experience

**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.

# 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.