

# FY24 Financial Aid Report

Board of Trustees - Administration & Finance Committee

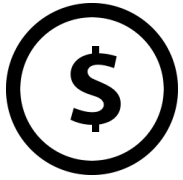
April 3, 2024



University of Massachusetts

Amherst • Boston • Dartmouth • Lowell • Medical • Law

# UMass is committed to access and affordability



**\$409 million:** Annual financial aid generated by UMass tuition pricing/free aid strategy, up 82% over the past decade



On a per student basis University-generated aid has grown almost **3X** as fast as net tuition & fee revenue since 2020



**79%** of University-generated aid goes to in state students, well above their 71% share of total enrollment



**\$19,713** average annual net price at UMass is just 2/3rds of the average Massachusetts private institution price

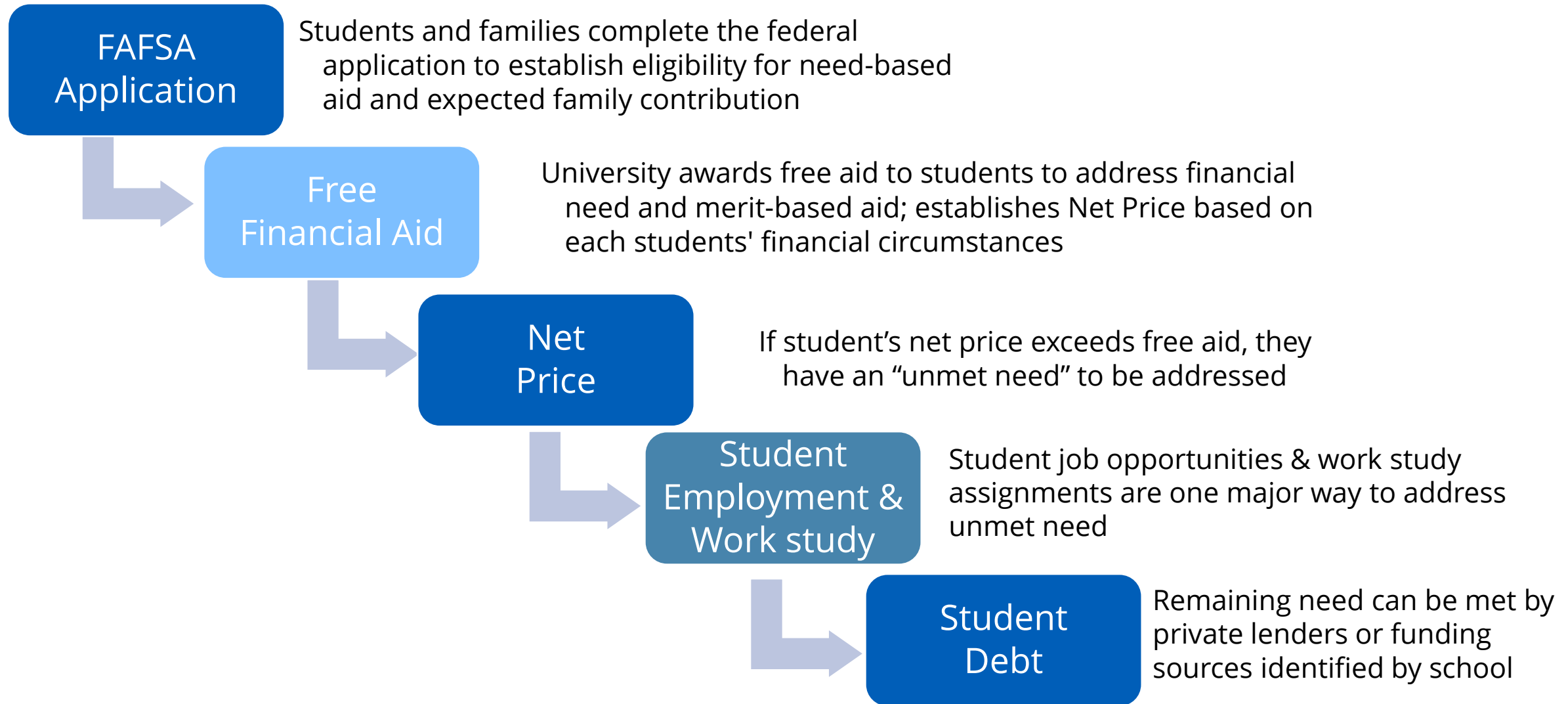


Depending on campus, **24% to 50%** of in state undergraduates, or **~14k** students, receive Pell Grants - financial need consistently remains large



UMass strategy has succeeded in holding average student debt at graduation relatively flat for a decade at **\$31,173** - a real decline in debt in inflation-adjusted dollars

# How you pay for college 101



# FAFSA Simplification Implementation Delays

- In 2020, the *FAFSA (Free Application for Federal Student Aid) Simplification Act* was adopted by the federal government to streamline the common form utilized to determine financial need for students & families and created a new measure of determining a student's ability to pay for college
- The rollout of the new, simplified forms has experienced delays and glitches; students unable to complete the form creates delays in the financial aid awarding process
- The federal Department of Education is withholding FAFSA records from schools until technological developments are completed – delaying the awarding of financial aid for students
- Additional delays related to adjustments to financial need calculations means that campuses may not be receiving student information until late March
- UMass financial aid offices will process financial aid packages to students as soon as practicable given the ongoing challenges of this implementation, but these delays will have an impact to the traditional admissions timeline for new freshmen/transfer students
  - ***Boston, Dartmouth & Lowell have extended the enrollment deposit deadline to June 1<sup>st</sup>***

# Understanding the components of financial aid

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

## Free Financial Aid

- **Waivers/Credits** – targeted and need-based discounts that directly reduce a student's bill
- **Grants/Scholarships** – financial aid to students which does not have to be repaid
  - UMass-generated aid (**\$409M**) 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 (**\$95M**) such as Federal Pell Grants awarded based on financial need
  - State aid (**\$79M**) 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

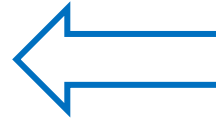


# SPARC – Financial Aid

SPARC enhancements included adding financial aid data for real-time analysis by campus users

Total Financial Aid by Funding Source (\$ in Thousands)

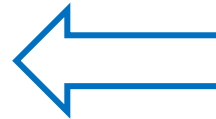
	Campus	Federal	State	Private	Total Aid
Undergraduate	13,542	6,275	2,778	2	22,598
Graduate	3,150				3,150
Grand Total	16,692	6,275	2,778	2	25,747



- Data available by college & academic department detailing financial aid by funding sources and type of aid (scholarships/grants/waivers/loans/“self-pay”\*) providing insight at a more granular level

Need / Non Need Based Aid by Residency (\$ in Thousands)

	Undergraduate	Graduate	Grand Total
Need Based Campus Aid	5,340		5,340
Need Based Federal Aid	6,117		6,117
Need Based State Aid	2,603		2,603
Need Based Private Aid	2		2
Total Need Based Aid	14,063		14,063
Non Need Based Campus Aid	8,202	3,150	11,352
Non Need Based Federal Aid	158		158
Non Need Based State Aid	175		175
Non Need Based Private Aid			
Total Non Need Based Aid	8,535	3,150	11,685
Total Need / Non Need Based Aid	22,598	3,150	25,747

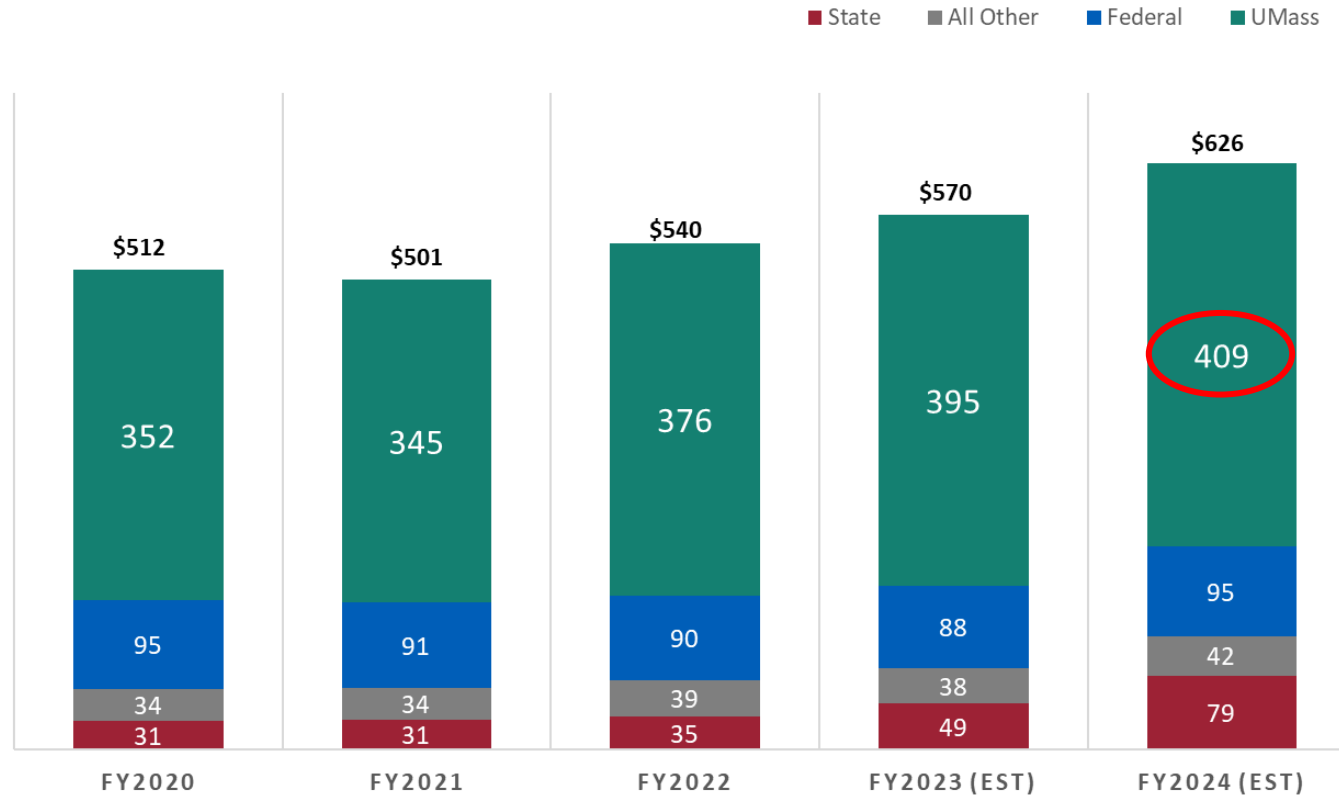


- View of data by funding sources broken out by types: need vs. non need aid
- Demonstrates the impact University-funded financial aid has on students and differences between academic departments/student types



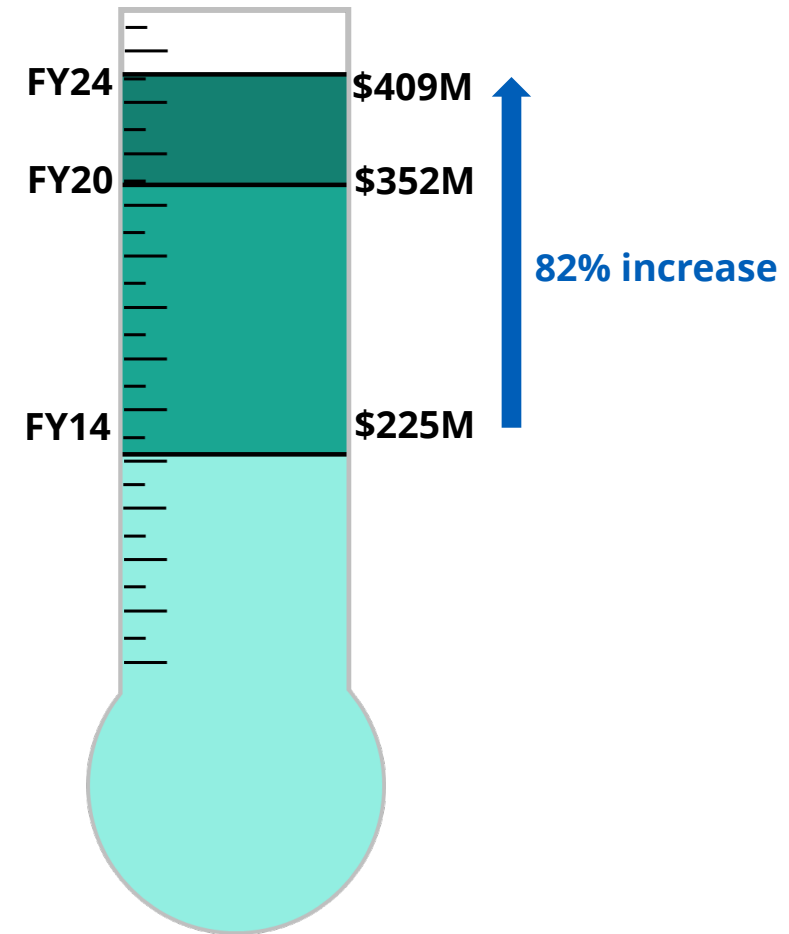
# UMass has steadily increased University-generated aid

DOLLARS IN MILLIONS



- University-generated financial aid grew **18%** in the last five years while all other sources remained nearly flat
- 82% growth in University-generated financial aid over 10 years compared to 32% growth in tuition & fee rates

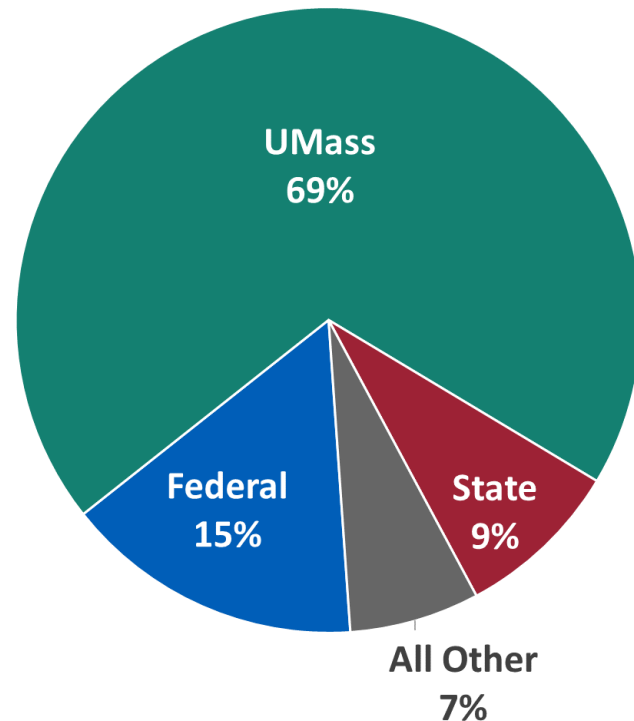
University-Generated Aid



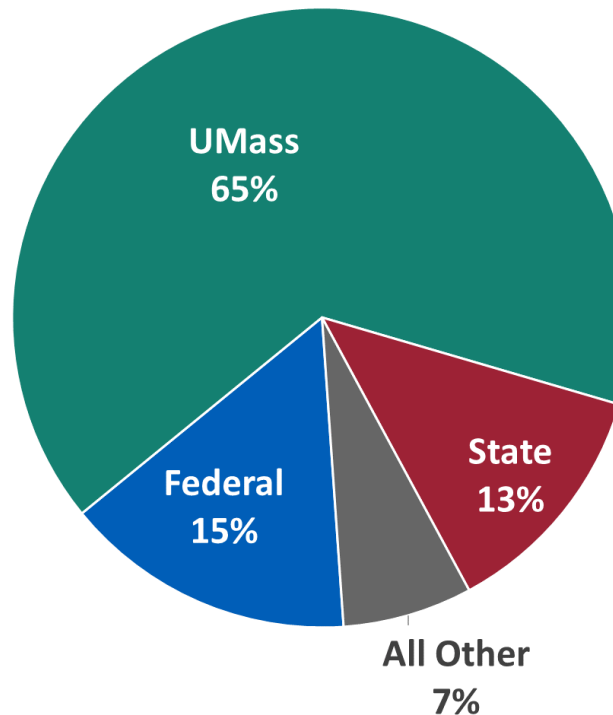
# UMass students' largest source of free aid is *UMass-generated* aid

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

FY2023 Projection = \$570M



FY2024 Projection = \$626M



**\*MassGrant:** State financial aid program that provides need-based financial assistance to undergraduate students who reside in Massachusetts; full time students attending Massachusetts four-year public colleges and universities, and full-time and part-time students attending Massachusetts public community colleges may be eligible for additional funding to help with the cost of tuition, fees and books

## For Fiscal Year 2024:

- 65% (\$409M) was University-generated financial aid, including grants, employment, scholarships & credits
- 15% (\$95M) Federal free aid, largely Pell grants
- 13% (\$79M) State free aid<sup>(1)</sup>
- 7% (\$42M) Private free aid

(1) Includes MassGrant Plus expansion dollars (\$32M in FY24) provided for eligible UMass students and anticipated to be awarded in FY24



# MassGrant Plus and Expansion Overview

UMass student became eligible for the MassGrant Plus program beginning in FY23

## MassGrant Plus

- Established in 2018 for community college students; eligibility expanded to other segments over the years
  - UMass students became eligible in FY23
- Allocation: \$20 million
- Funding Source: State General Fund
- Eligibility: MA resident undergraduate Pell-eligible student enrolled full-time with demonstrated financial need
- Allowable Costs: Awards address student unmet need for tuition/fee and book costs after consideration of other non-loan financial aid

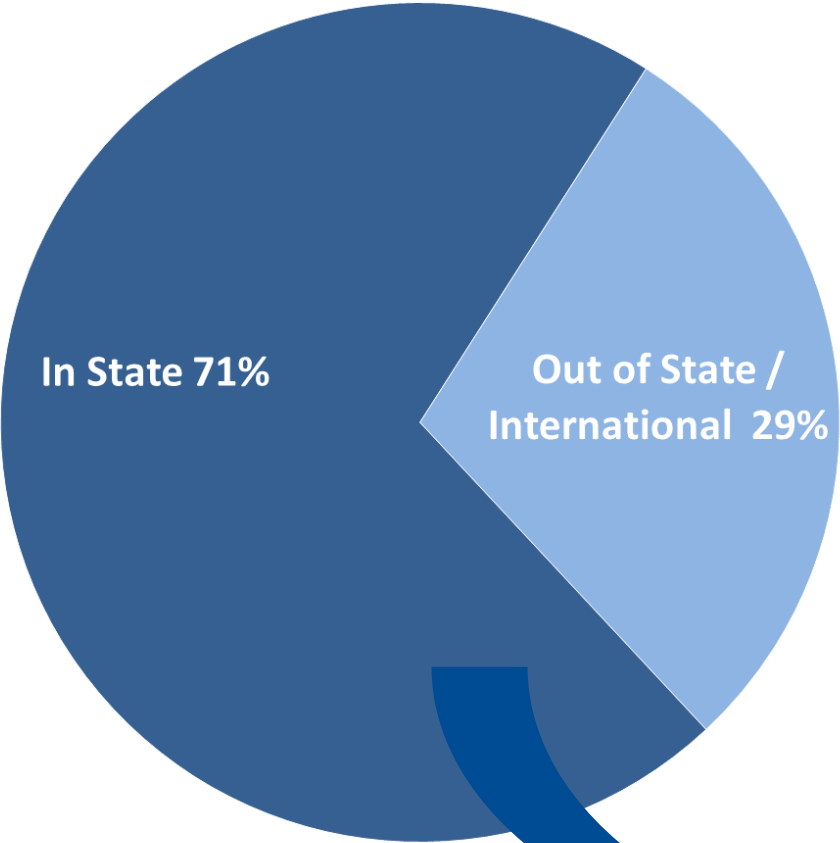
## MassGrant Plus Expansion

- Announced by Governor Healey in November 2023 and funded by FY24 state budget
- Allocation: \$32 million
- Funding Source: Fair Share Revenue
- Eligibility: MA resident undergraduate Pell-eligible student enrolled full-time or part-time with demonstrated financial need; middle-income<sup>(1)</sup> students eligible to reduce out-of-pocket costs by up to 50% of tuition and fees
- Allowable Costs: All tuition and mandatory instructional fees will be covered with grant aid for Pell Grant-eligible; allowances of up to \$1,200 for books and supplies.

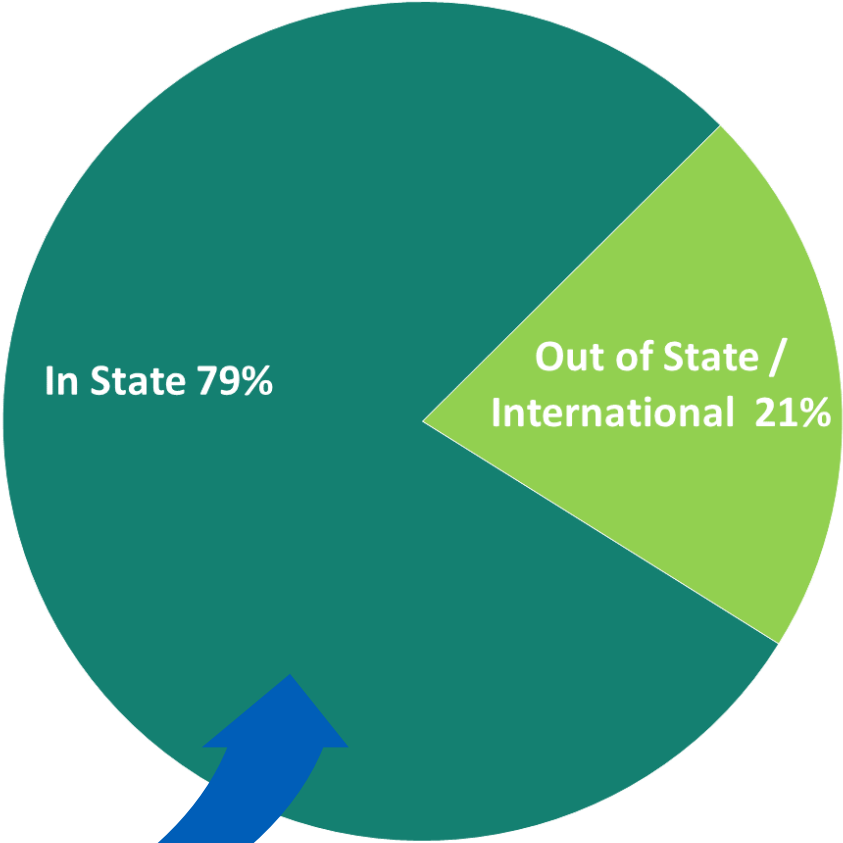


# UMass aid strategy strongly benefits in state students

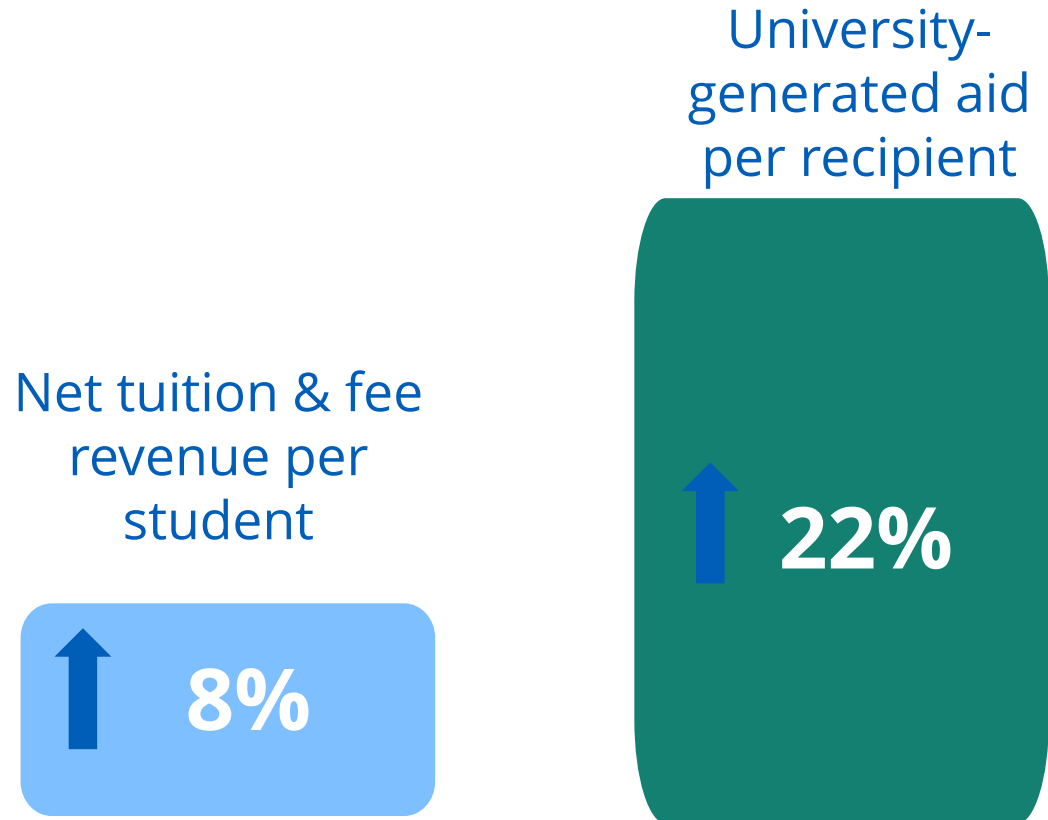
Shares of Total Enrollment



Who Receives University-Generated Aid?

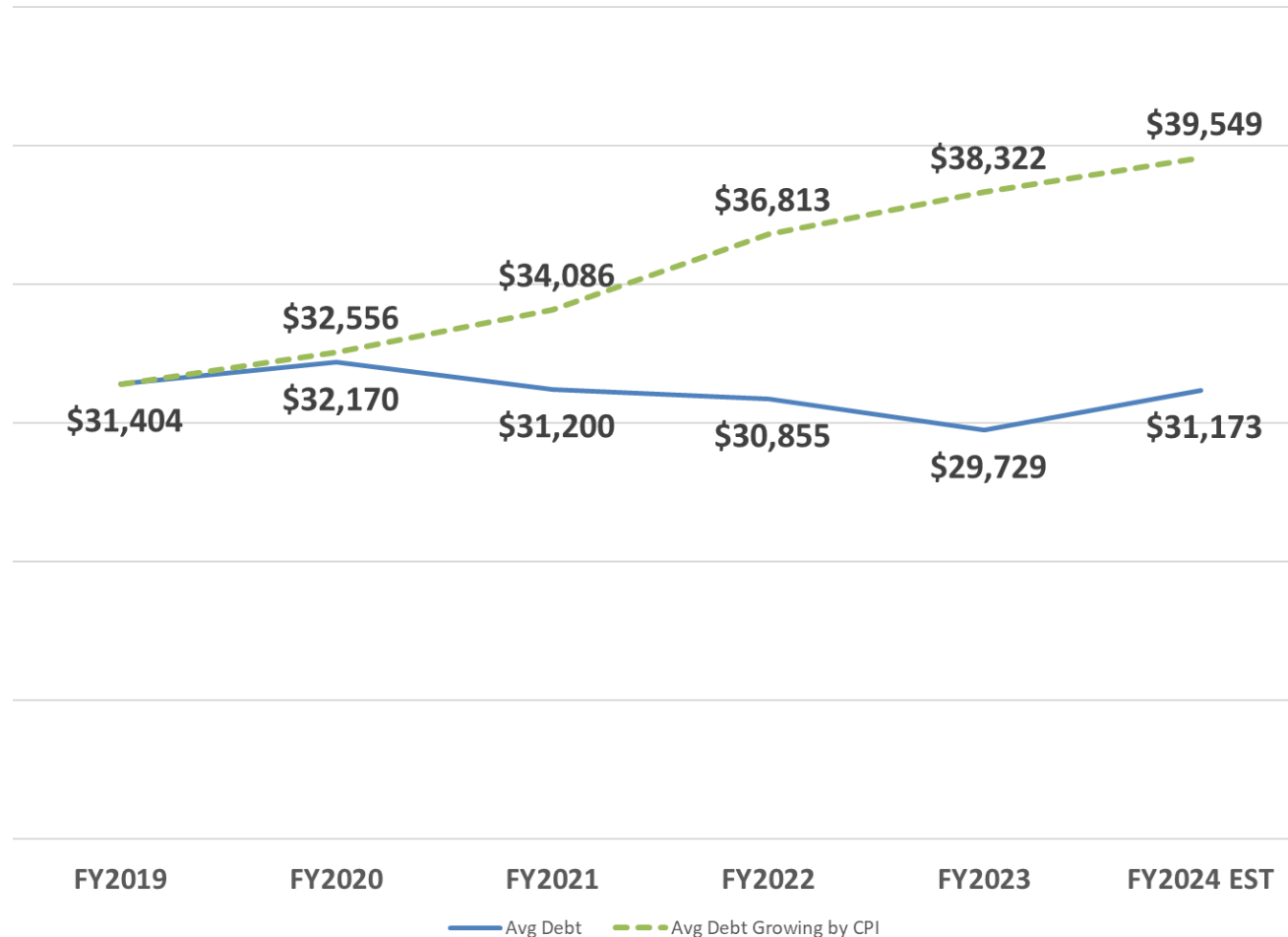


# In the last five years, UMass has grown aid per student almost 3X as fast as tuition & fees revenue



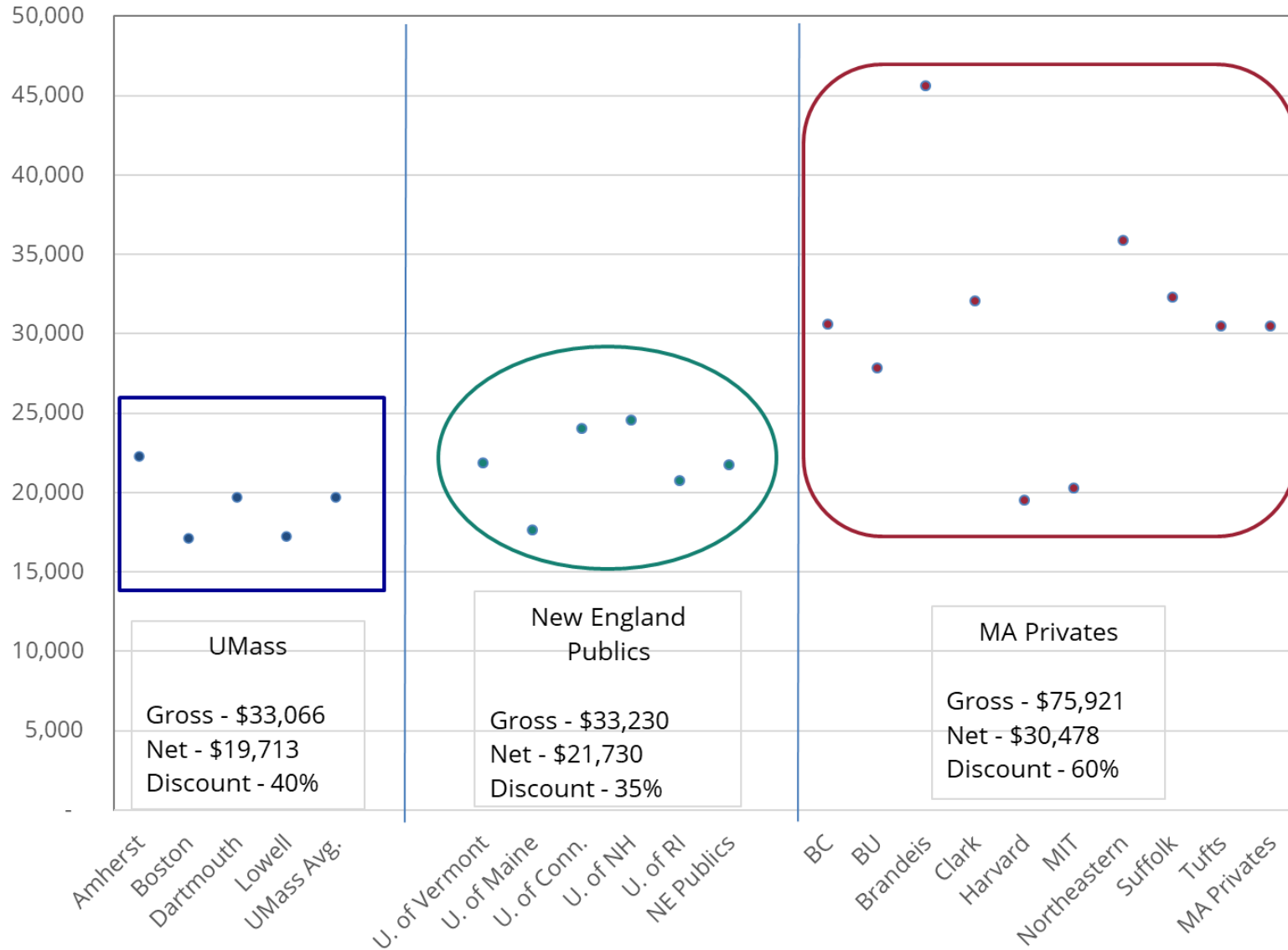
- The rate of aid growth eclipsing tuition revenue growth is fueling affordability for students and families
- Tuition revenue remains the primary funding source for university-generated aid

# Average Undergraduate student debt has recently remained stable and remaining below inflation-adjusted dollars



- The percentage of Undergraduates graduating with debt has declined **8%** since 2014
- In FY24, scholarship/grant aid in total exceeds student loan borrowing by **\$181M** illustrating the impact of free aid

# FY22 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***
  - Annual financial aid generated by UMass (**\$409M**) tuition pricing/free aid strategy, up 82% over the past decade; 3.5% growth over FY23
  - 79% of UMass aid goes to in state students, well above their 71% share of total enrollment
- ***UMass Net Price Below MA Private Institutions and align with New England Public Peers***
  - \$19,713 average annual net price (FY22) 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 FY24 is \$31,173
- ***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

# FY24 Financial Aid Report Appendices

Board of Trustees

Administration & Finance Committee

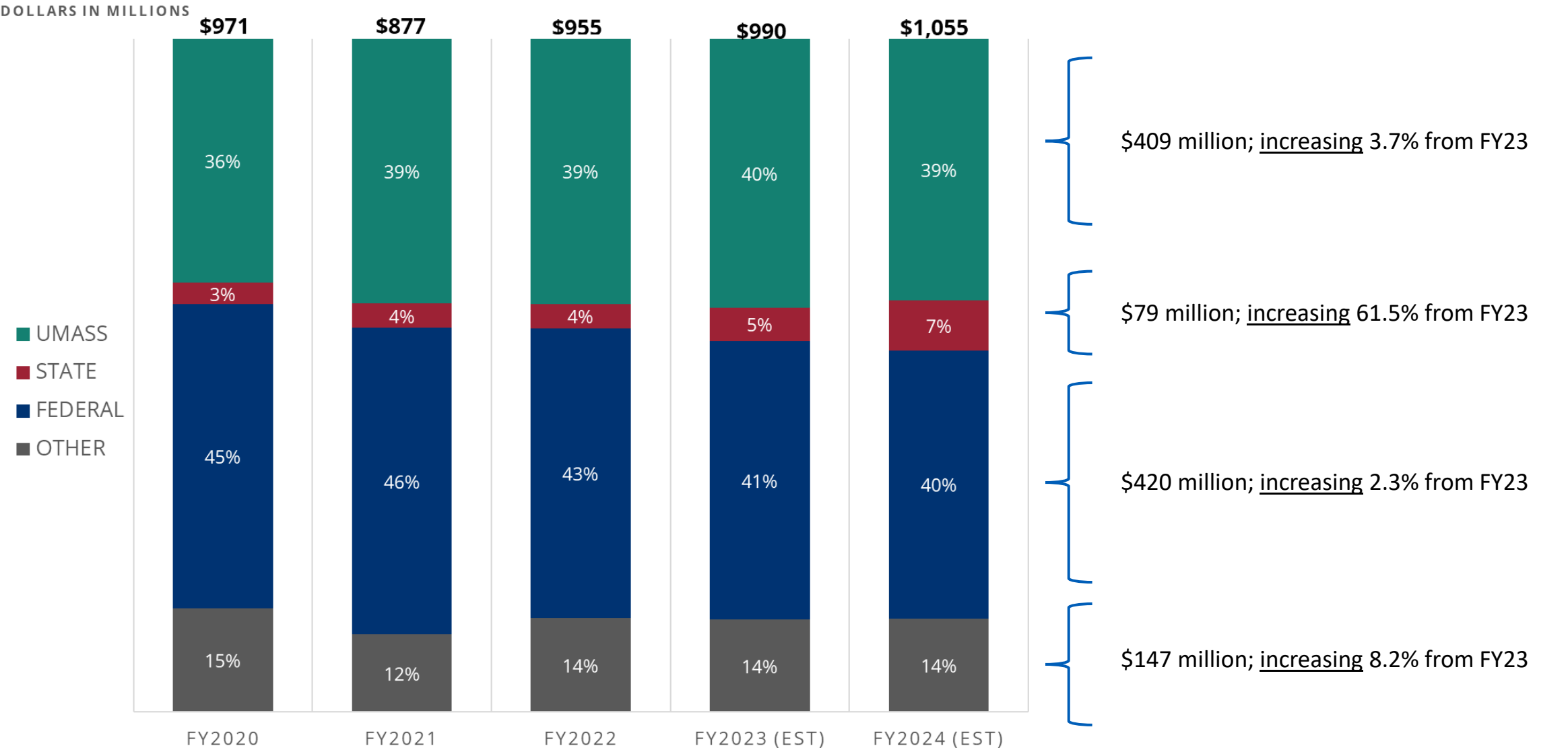
April 3, 2024



# Appendix 1. – University Data

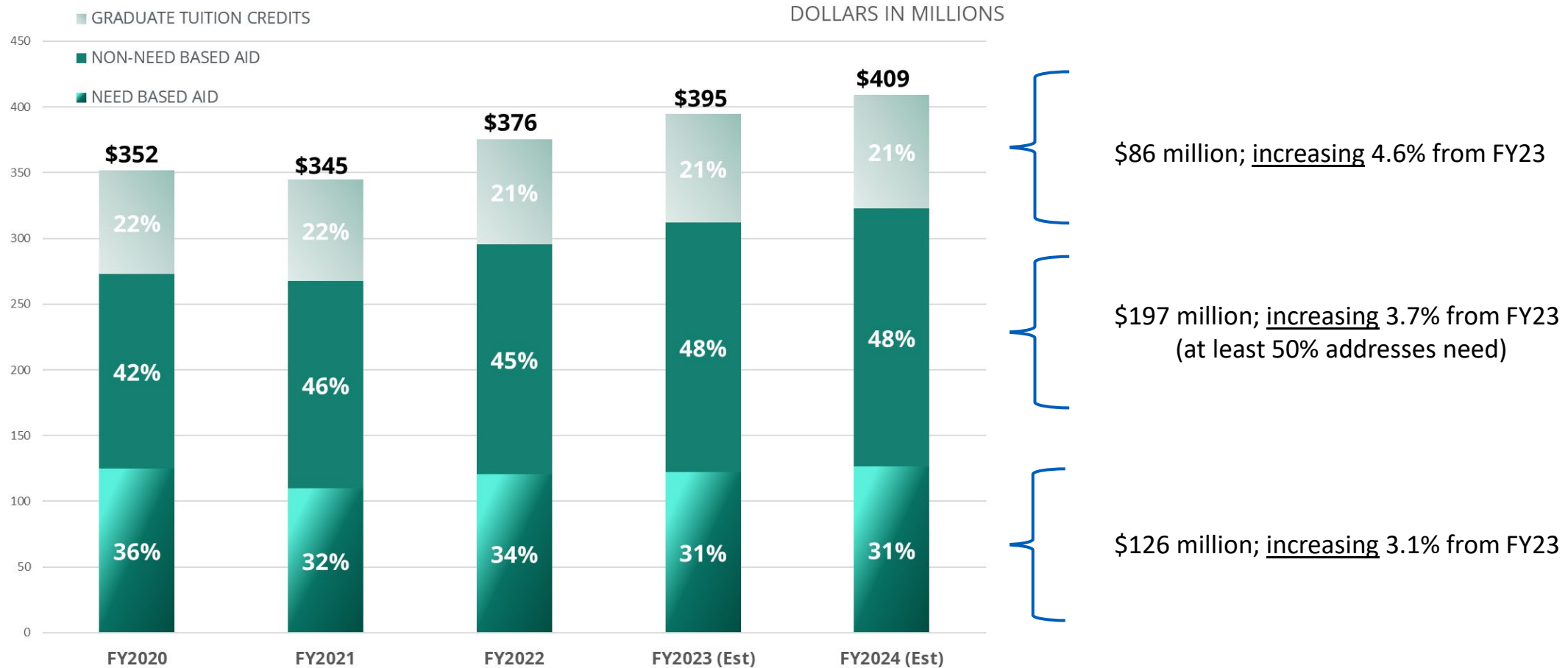


# Total Sources of Financial Aid including Free Aid and Loans



# 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.*

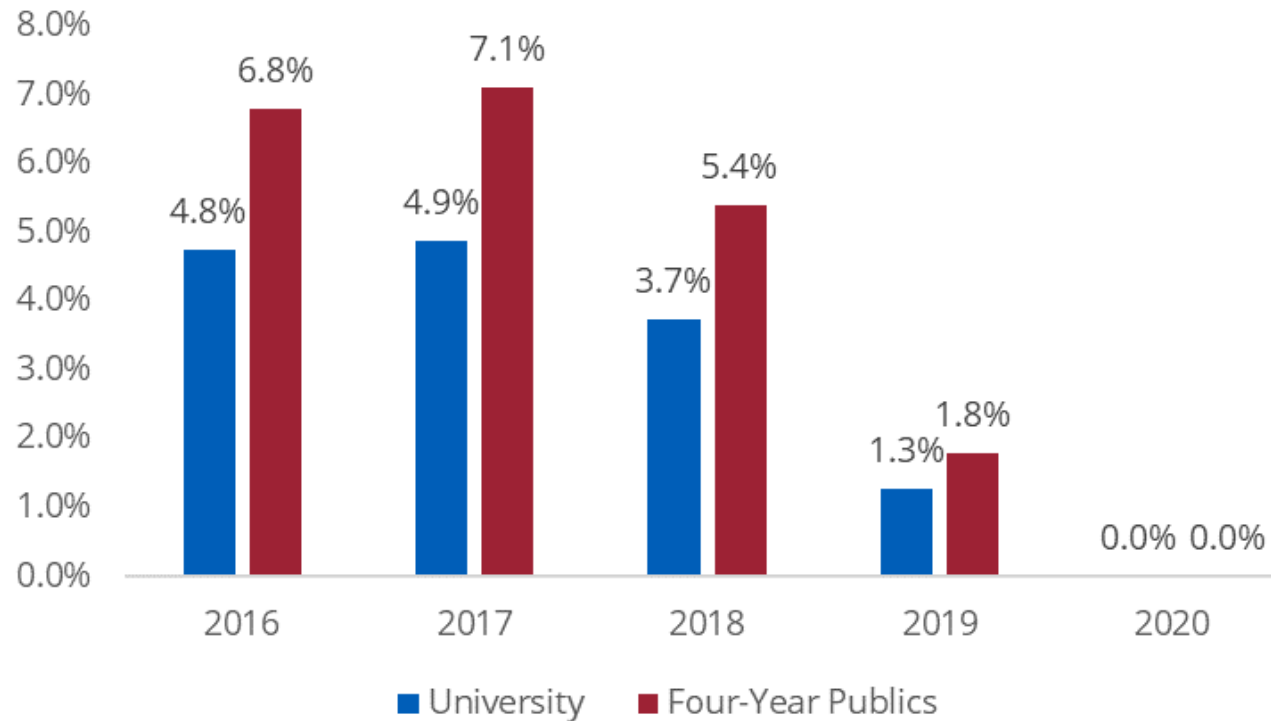


# Average Financial Aid Package: In-State Undergraduates with Need

Federal Income Range	Average Financial Aid	Free Aid Award	% of package	Loan Award	% of package	Work Award	% of package	Average Unmet Need
Less than \$30,000	\$23,082	\$13,762	60%	\$7,083	31%	\$2,238	10%	\$4,194
\$30,000 - \$40,000	\$21,700	\$13,138	61%	\$6,336	29%	\$2,226	10%	\$3,975
\$40,001 - \$50,000	\$21,701	\$13,421	62%	\$6,006	28%	\$2,274	10%	\$3,783
\$50,001 - \$75,000	\$19,638	\$11,234	57%	\$6,150	31%	\$2,254	11%	\$3,297
\$75,001 - \$100,000	\$15,257	\$7,100	47%	\$6,105	40%	\$2,052	13%	\$2,785
Greater than \$100,000	\$9,620	\$3,336	35%	\$4,663	48%	\$1,622	17%	\$1,441

- 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

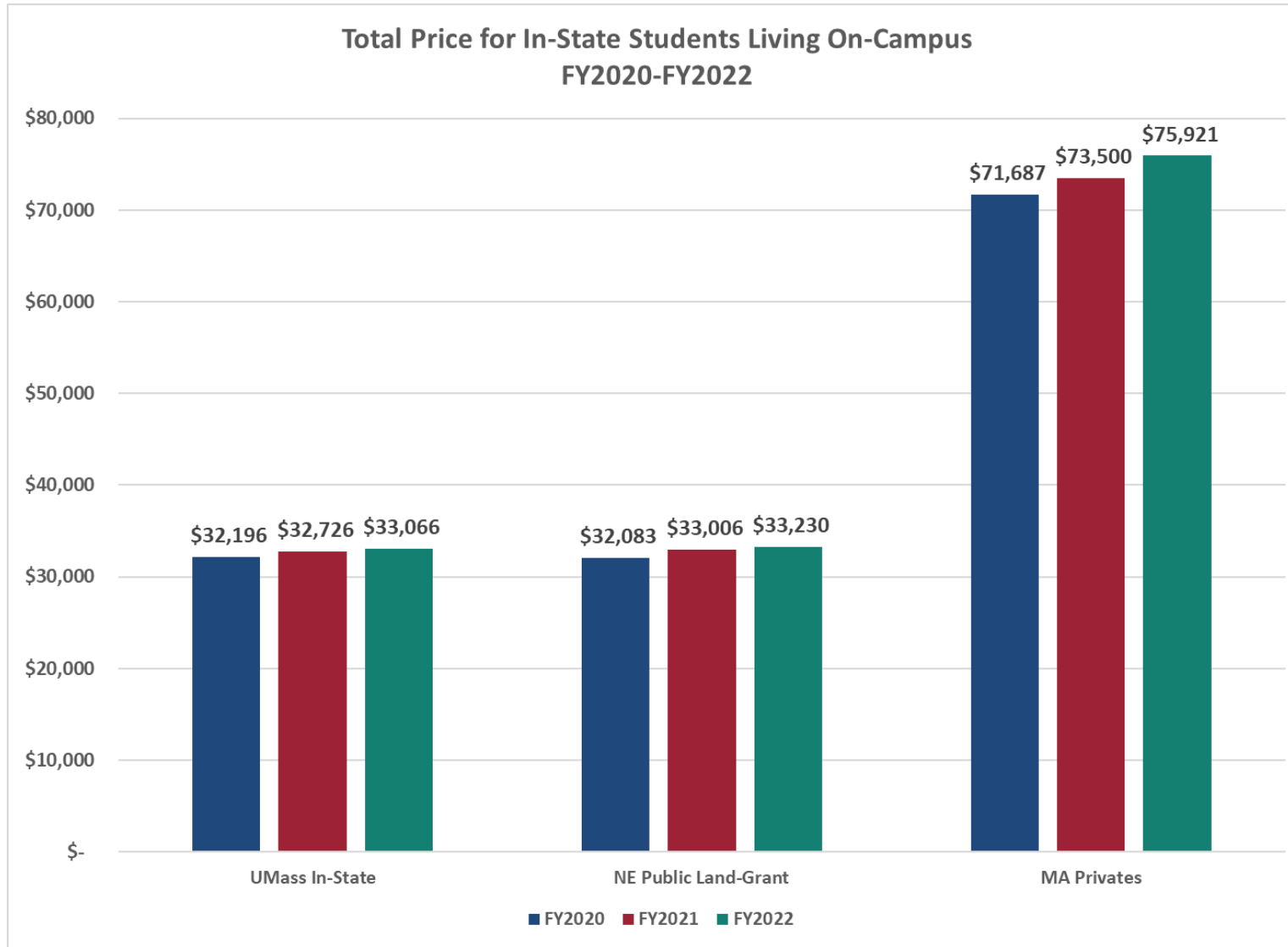
# Cohort Default Rate



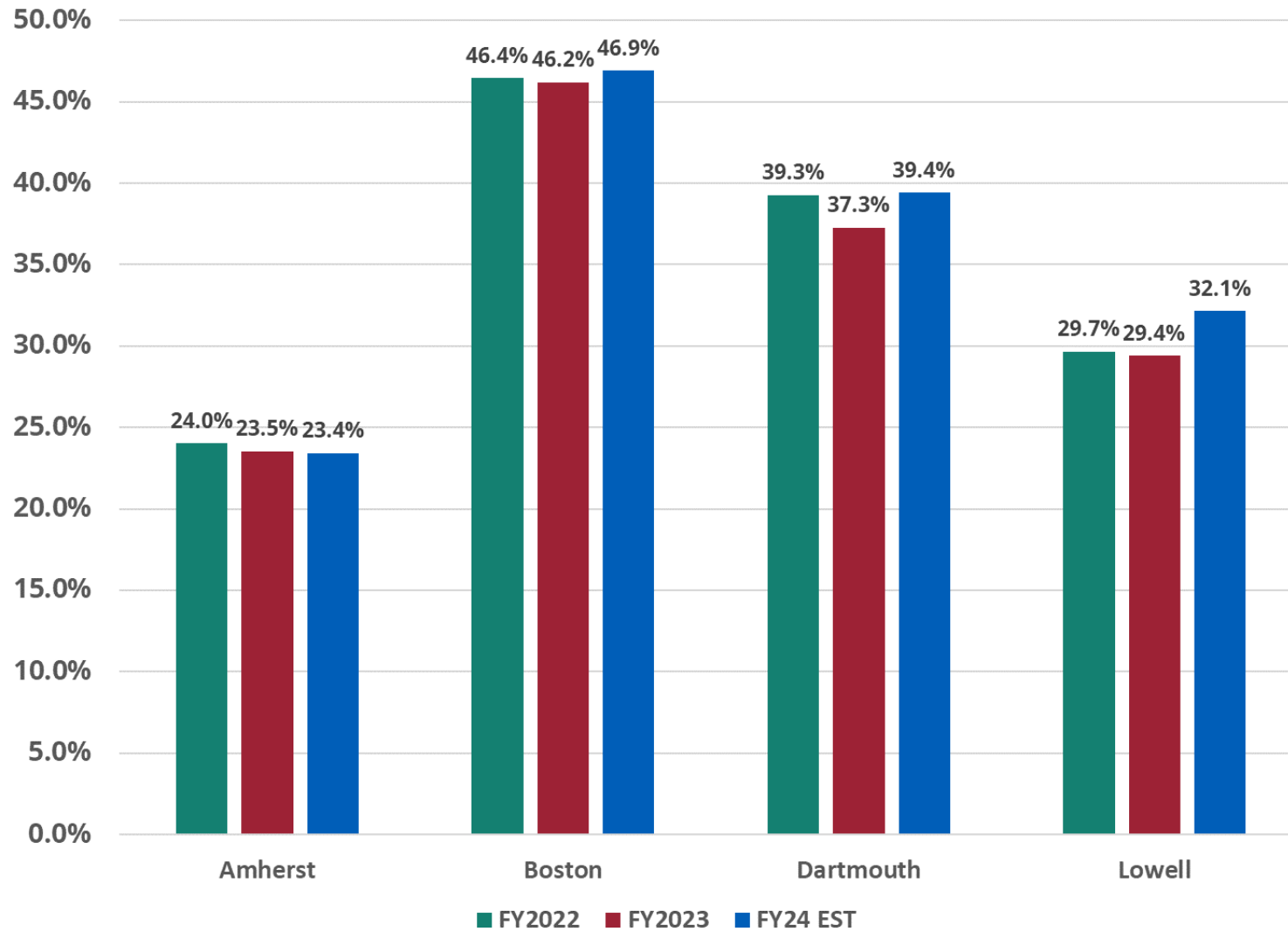
2020 Cohort Default rate reported as 0% due to COVID relief for student borrowers pausing repayment on federal loans

- 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 2023 and measures the percent of borrowers who entered repayment of student loans in 2020 and defaulted in 2020, 2021 or 2022

# FY22 Total Price Regional Comparison



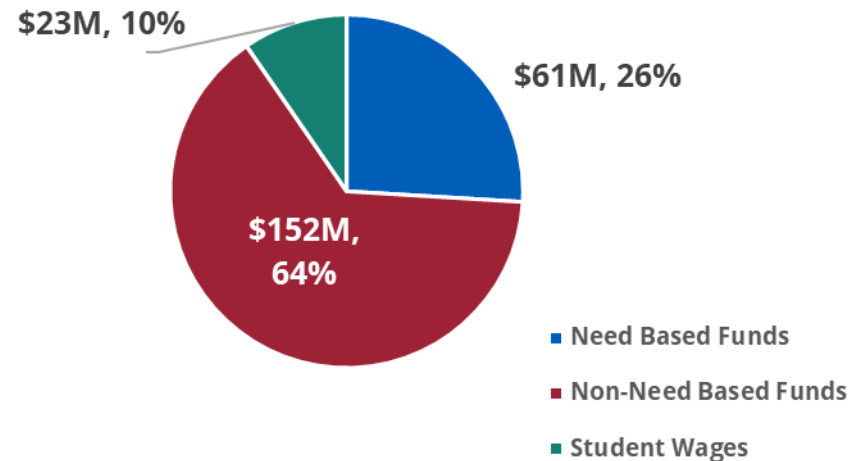
# Percentage of In-State Undergraduates Receiving Pell Grants



# Appendix 2. – Campus Data

# Amherst

- Campus Funded Aid : FY23 = \$236 million



- FY23 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
\$19,791	\$ 3,653	57%	35%	8%

- UG In-State Student Net Price

2021-2022	
<b>Total Price</b>	\$32,434
<b>Average Net Price</b>	\$22,291

- Student Debt

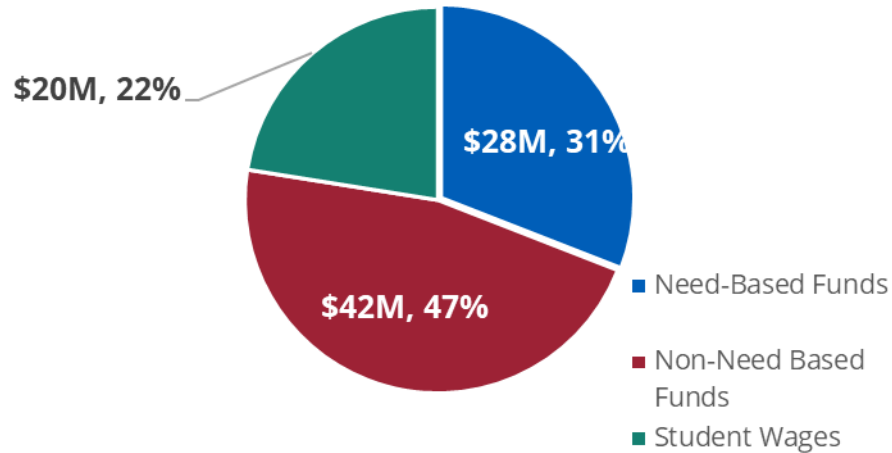
## Amherst

Year	% Graduating w/ Debt <sup>(3)</sup>	Cohort Avg Debt at Graduation <sup>(4)</sup>
2022 - 2023	58%	\$29,764
2021 - 2022	60%	\$31,480
2020 - 2021	62%	\$31,623
2019 - 2020	64%	\$32,928



# Boston

- Campus Funded Aid : FY23 = \$90 million



- FY23 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
\$16,510	\$ 3,109	51%	33%	15%

- UG In-State Student Net Price

2021-2022	
<b>Total Price</b>	\$35,477
<b>Average Net Price</b>	\$17,123

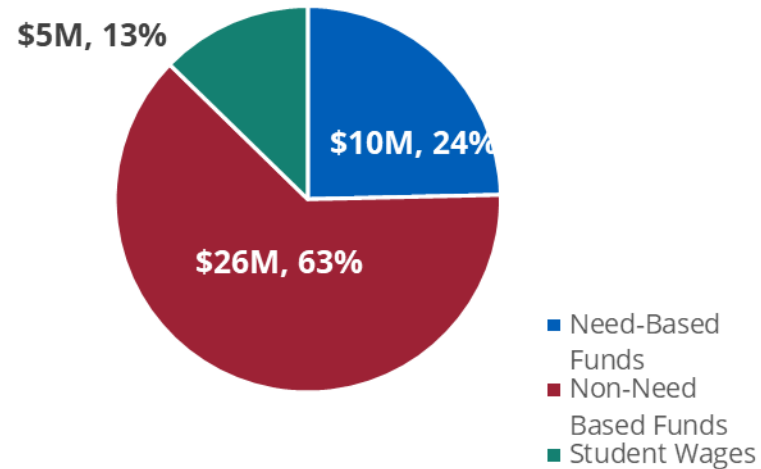
- Student Debt

## Boston

Year	% Graduating w/ Debt <sup>(3)</sup>	Cohort Avg Debt at Graduation <sup>(4)</sup>
2022 - 2023	65%	\$27,371
2021 - 2022	66%	\$27,117
2020 - 2021	58%	\$25,477
2019 - 2020	53%	\$25,054

# Dartmouth

- Campus Funded Aid : FY23 = \$41 million



- FY23 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
\$18,040	\$4,184	52%	38%	10%

- UG In-State Student Net Price

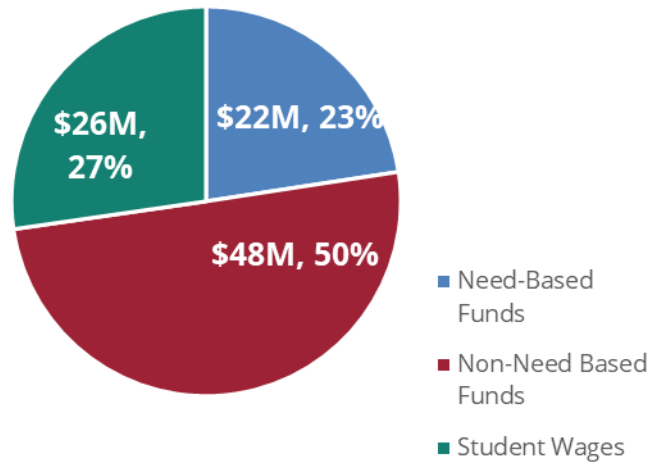
2021-2022	
<b>Total Price</b>	\$33,155
<b>Average Net Price</b>	\$19,700

- Student Debt

## Dartmouth

Year	% Graduating w/ Debt <sup>(3)</sup>	Cohort Avg Debt at Graduation <sup>(4)</sup>
2022 - 2023	80%	\$32,059
2021 - 2022	77%	\$31,651
2020 - 2021	83%	\$33,680
2019 - 2020	82%	\$35,204

- Campus Funded Aid : FY23 = \$96 million



- FY23 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
\$16,754	\$ 1,705	55%	31%	14%

- UG In-State Student Net Price

	2021-2022
<b>Total Price</b>	\$31,892
<b>Average Net Price</b>	\$17,240

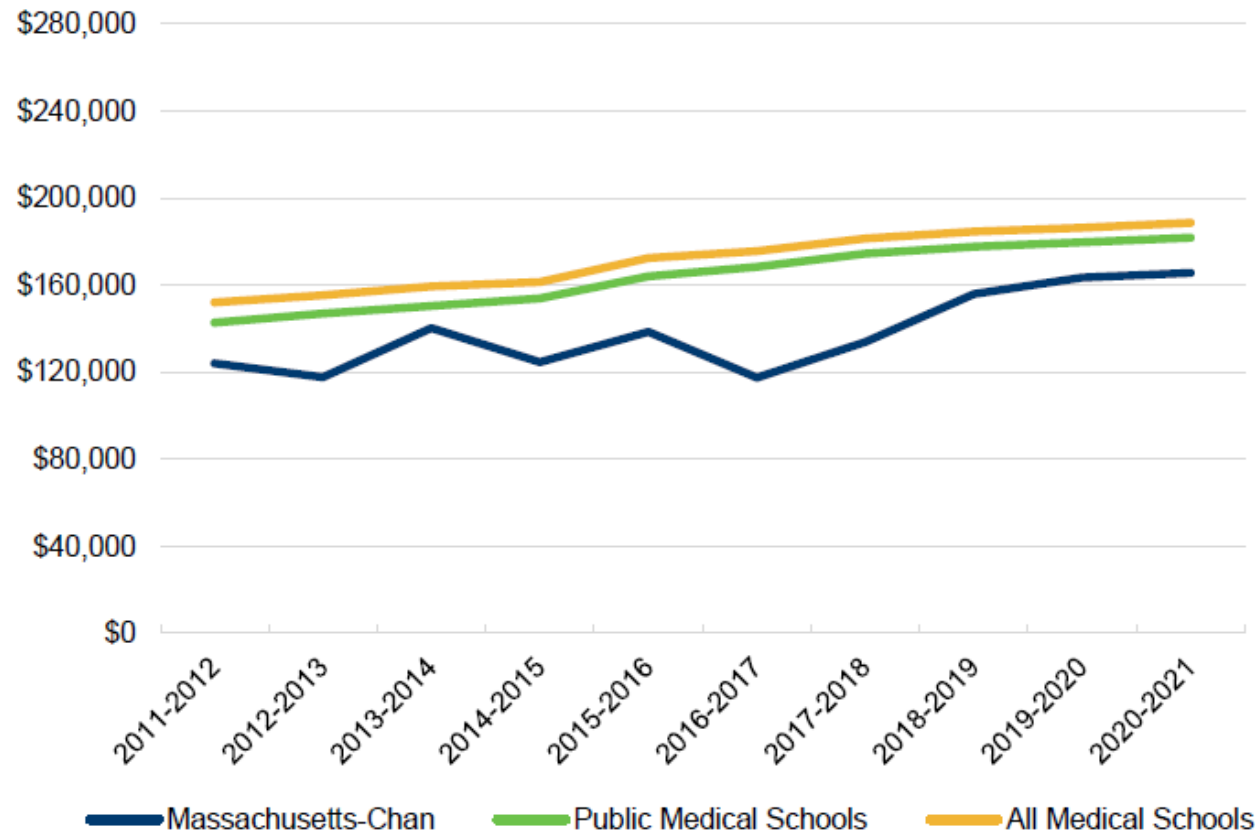
- Student Debt

## Lowell

Year	% Graduating w/ Debt <sup>(3)</sup>	Cohort Avg Debt at Graduation <sup>(4)</sup>
2022 - 2023	76%	\$30,316
2021 - 2022	74%	\$31,528
2020 - 2021	75%	\$33,297
2019 - 2020	73%	\$33,500

# Chan Medical School

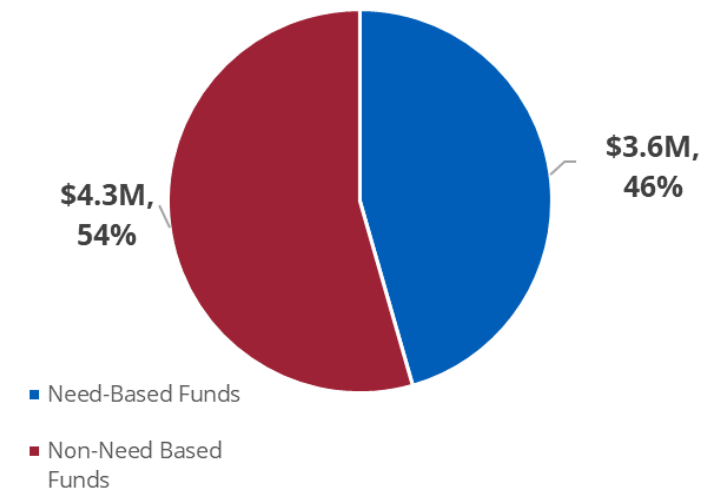
**Average Medical School Debt of Indebted Graduates**



**Percentage of Graduates with Medical School Debt**

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

Institutional Aid : FY23 = \$8 million



# Appendix 3. - Definitions

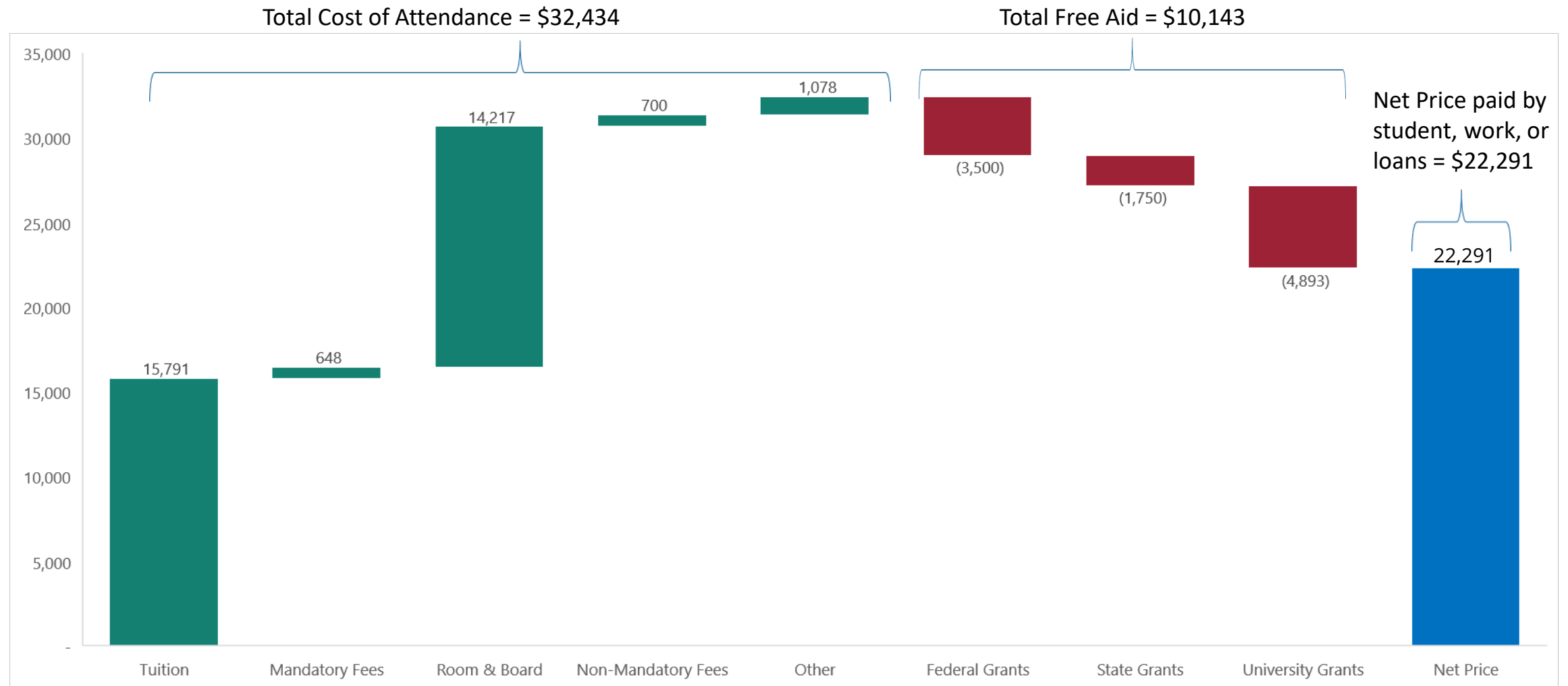
# Types of Aid

- 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		
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 FY22 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.