University of Illinois at Urbana-Champaign

Dashboard Indicators

TUITION AND FEES AND FINANCIAL AID UPDATES BY:
UNIVERSITY OFFICE FOR PLANNING AND BUDGETING
DECEMBER 10, 2014

PRESENTED BY:
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Peer Groups

University of Illinois at Urbana-Champaign*
University of California - Berkeley*
University of California - Los Angeles
University of California - San Diego
University of Michigan - Ann Arbor
University of North Carolina - Chapel Hill**
University of Texas - Austin***
University of Washington
University of Wisconsin - Madison
University of Virginia

* No medical center.
** Medical center affiliated with the university, but owned by the state.
*** An affiliated medical center is under construction and will begin operations in 2017.
Tuition and Financial Aid
As you know, the University of Illinois at Urbana-Champaign is one of the more expensive public universities in the country, and this is apparent in our relationship to our peer group. However, this comparison does not account for the fact that Illinois students pay a constant, guaranteed tuition for four years.

Recent Board of Trustees policy to limit tuition increases is helping with affordability.
This chart shows that 49 percent of Urbana undergraduates receive financial aid grants (i.e., gift aid) – whether need-based, merit-based, or both. Most of these students also are taking out loans as well. An additional 23 percent of undergraduates have loans or are working. That translates to 72 percent of Urbana students who have some form of financial aid.

Both need-based and merit-based financial aid strongly influence students’ decision to attend our campus.
Pell Grants are federal grants for low-income students. The percentage of Pell recipients on the Urbana campus began to rise in 2005 with the launch of Illinois Promise – a program that supports nearly the full cost of education for Illinois residents whose family income is at or below the federal poverty level. This fall, we welcomed 309 new Illinois Promise students to campus, a record class. Since 2010, our percentage of Pell students has held steady at around 20 percent.
This chart shows the percentage of Urbana undergraduates whose financial need was fully met. (Financial need is defined as the estimated cost of attendance – tuition, fees, housing, food, books, personal expenses – less the expected family contribution calculated from the FAFSA by federal formula).

What looks here like a precipitous drop in 2013 is actually due to an accounting change. Prior to 2013, our campus was part of a federal experiment that allowed us to exclude loan origination fees from the estimated cost of attendance. Beginning in 2013, we had to include these fees, which are small: often less than $40 for student loans and less than a few hundred dollars for parent loans. Thus, there are thousands of Urbana students whose need is met within a hundred dollars or so who are not counted in 2013.

Unfortunately, this simply is not a robust statistic for our campus.
As we said before, financial need is the difference between total cost of attendance and the expected family contribution. We meet a great deal of that need through a combination of federal grants (Pell), state grants (MAP), institutional grant aid, loans, and work-study.

While our campus does not have the resources to meet all documented financial need, we are making progress in this area. Over the past four years, annual grant aid from funds managed by the campus has increased by $33 million dollars. As a result, total unmet need for the campus, which had been growing steadily, declined slightly in this year ($108.1 M in FY14, versus $109.4 M in FY13).

Despite this positive progress, the chart shows a decline in percent of need met. This may be due in part to the fact that the President’s Award Program scholarships were shifted from partially need-based to merit-based starting in 2012, and it may also be due to the mix of family incomes among our students. Note that the lower a student’s family income, the greater the percentage of their financial need we meet.
Average borrowing for graduating seniors dropped slightly in 2013, and dropped again this fall. This is excellent news, and it is a consequence of our campus’s strong commitment to financial aid for our students. Note these numbers are the average for the 52 percent of our students who borrowed money for their education; 48 percent of Urbana students graduate with no debt.
This traditional chart shows that 25 percent of Urbana students are paying less than $3,000 for tuition (after financial aid), and 10 percent have their tuition fully covered.

Note that this is only a small part of the picture, as it does not include fees, food, housing, or books.
Overview
There are many areas of strength and accomplishments of which we can all be proud.

Slow tuition growth is helping the affordability of the Urbana campus.

A strong campus commitment to financial aid is having a clear effect: total unmet need for the campus has flattened and actually decreased slightly this year; student debt decreased for the second year in a row and is the third lowest in the Big Ten.

The loan default rate for Urbana graduates is just 3.5 percent, below the Big Ten average of 4.3 percent and well below the national average of 13.7 percent. This shows that Urbana graduates get a great education, and they go on to get good jobs.

Also, we are committed to providing access to a world-class education, with more than six-thousand Pell-eligible students on our campus, as well as continued growth in the Illinois Promise program for students from very low income families.
As always, there are areas for improvement.

Some of our scholarship funds were given when a smaller dollar amount could make a big difference for a student, and some funds are difficult to award because of the terms of the gift agreements. We need to build award strategies to maximize the impact of these gifts, such as combining several smaller scholarships for one student, while respecting the intent of the donors.

Currently, we treat need-based and merit-based scholarships separately. We will do better by working with these funds in a coordinated way.

And we absolutely need to continue to grow the scholarship funds that we can offer to our students. This will improve admissions yield, keeping our campus accessible to students from all walks of life, and will help reduce the debt of our graduates.
To achieve these improvements, we are adding two staff members at the campus level to better manage scholarship awards to admitted students, and to improve stewardship of scholarship gift funds.

We are in the midst of a financial aid modeling project to understand how need-based and merit-based awards figure into students’ decisions to study at our campus, to see if there are ways to improve our strategies for awarding those funds.

Scholarships are already a priority for fund raising, and they will continue to be as we go forward.

Finally, we are working to keep student costs down wherever possible. Note that this includes student fees and housing costs, as well as tuition.
The big uncertainty is, of course, the state budget. A reduction in direct appropriations would make it tough for our campus to stay on its current path with student financial aid.

In addition, the state’s MAP awards are critically important to many Illinois resident students – most of whom are also receiving federal Pell grants. If the state reduces MAP funding this would hit lower-income students hard, and it would be extremely difficult for the campus to make up for this.