

UnMet Financial Need

The impact of rising student debt, the cost of attending college and the value of the degree or certificate received at completion continues to be a critical focus for higher education leaders. Research has consistently demonstrated that financial related difficulties can create barriers for student college completion. To help understand this issue as it impacts Utah students, this study examines how students pay for their basic tuition and fees for an academic year (Fall & Spring semesters).

Method:

This study uses student enrollment, financial aid, and tuition and fees data to measure the amount of financial need that is not covered through either grant aid or student loans. Data for the 2014-15 academic year (Fall Semester 2014, Spring Semester 2015) was collected for all students who were 1) Utah Residents, 2) undergraduate students, and 3) enrolled in courses for credit. High school concurrent enrollment and non-matriculated students were excluded from the analysis. Attempted credit hours for each student were used to estimate the total base tuition and student fee cost for each semester. Differential course tuition and fees were not included. Student enrollment data was matched to financial aid awards to the student for each of the two semesters enrolled. Financial Aid information includes: federal, state and institutional grant aid as well as Federal, institutional or other educational loan information. For the study we have classified student financial aid awards as grant aid or loans. Grant aid awards include financial assistance to the student that does not require repayment (e.g. Pell grants, tuition waivers, scholarships). Loan awards require repayment according to the terms agreed to in the loan documentation (e.g. Federal Stafford Loan, institutional loans, other loans).

Findings:

For the 2014-15 academic year, 129,092 student records were analyzed. Of the 129,092 students identified, 63.7percent received some type of financial aid in the form of either a student loan or grant (figure 1).

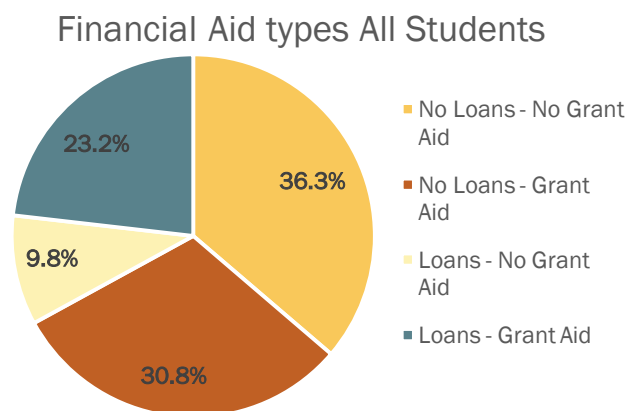


Figure 1 - Percent of Students by Financial Aid Received.

Of all USHE undergraduate students, 21.5 percent (with less than 30 attempted hours) had 100% of base tuition and fees covered by grant aid. This number increases to 33.3% for students who attempted 30 or more credits during the academic year (table 1).

Table 1 Percent of Student with grant aid

| School | less 30 Credits Attempted | | | 30 or More Credits Attempted | | |
|-------------------|---------------------------|---------------------|--|------------------------------|---------------------|--|
| | Received Grant Aid | Average Grant Award | % with Tuition and Fees Fully Covered by Award | Received Grant Aid | Average Grant Award | % with Tuition and Fees Fully Covered by Award |
| UU | 50.8% | \$4,726.42 | 11.4% | 68.1% | \$7,138.73 | 23.6% |
| USU | 56.4% | \$3,980.32 | 11.3% | 75.0% | \$6,097.02 | 30.7% |
| WSU | 47.2% | \$3,436.30 | 19.2% | 72.2% | \$4,914.32 | 37.1% |
| SUU | 71.9% | \$4,205.67 | 17.8% | 84.6% | \$5,703.07 | 29.6% |
| SNOW | 47.6% | \$2,712.42 | 23.5% | 84.8% | \$2,719.67 | 24.6% |
| DSU | 63.3% | \$3,515.35 | 41.6% | 87.5% | \$5,072.33 | 47.9% |
| UVU | 54.5% | \$3,666.06 | 24.1% | 75.7% | \$5,801.20 | 43.9% |
| SLCC | 40.8% | \$2,887.29 | 29.7% | 61.3% | \$4,983.03 | 45.4% |
| USHE Total | 50.6% | \$3,700.26 | 21.5% | 75.3% | \$5,659.91 | 33.3% |

Overall, 22.8% of the students received sufficient grant aid to not only cover base tuition and fees but also additional funds that could be put towards books and housing (figure 2).

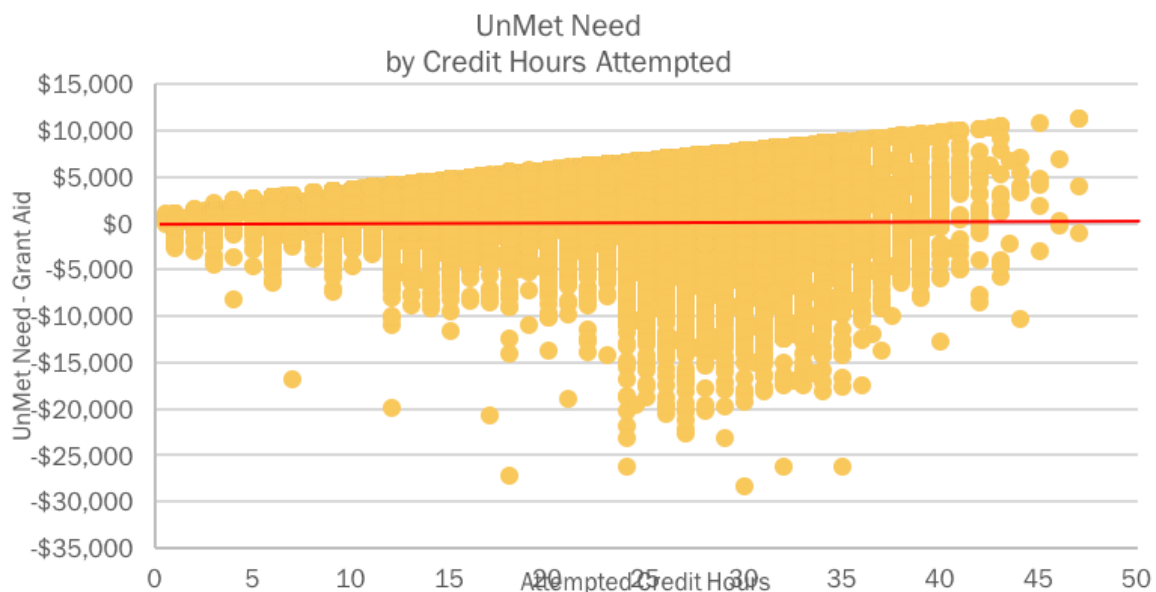


Figure 2 - Distribution of excess funds of grant aid after tuition & fees (negative numbers indicate excess grant aid).

When broken down by annual attempted hours, 32.6% of all students who were truly full-time students (30 or more credit hours attempted) received grant aid sufficient to cover tuition, fees and still have some grant aid money available for other educational expenses. This number falls to 21.2% if the student attempts less than 30 hours over the academic year (table 2).

Table 2. Percent of students with Excess Grant Aid

| Credits Attempted | No Excess Grant Funds | Excess Grant Funds | Grand Total |
|--------------------------|------------------------------|---------------------------|--------------------|
| less 30 | 78.8% | 21.2% | 100% |
| 30 or More | 67.4% | 32.6% | 100% |
| Grand Total | 77.2% | 22.8% | 100% |

One issue is the source of the grant aid available to students. The majority of the grant aid available to students comes through the Federal Pell Grant program. The Federal grant dollars at USHE institutions was \$187,901,711 which accounted for over 66% of all grant aid awarded to USHE students (figure 3).

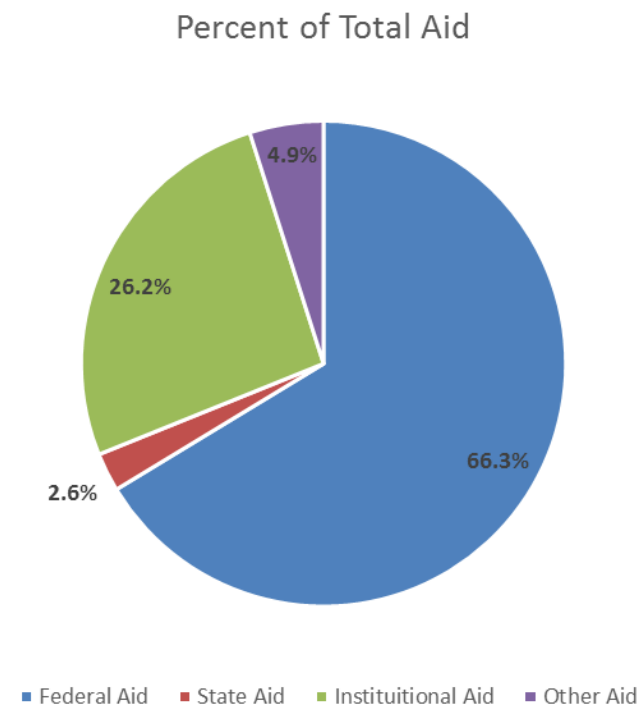


Figure 3 – Source of Grant Aid to USHE Students

Conclusion:

For students who qualify and take advantage of federal and institutional aid programs, the need for student loans to cover tuition and fees can be eliminated or significantly reduced. Many students (over 46%) however do not receive any form of grant aid and pay all costs out of pocket (36.3%) or with the help of loans. A primary concern impacting student debt occurs when a student who has sufficient grant aid to cover tuition and fees and still takes out student loans to cover “lifestyle expenses”. This additional debt is then included in the cost of college calculations, unfortunately inflating costs and skewing the overall cost of college attendance.