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Undergraduate Financial Aid

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Undergraduate Financial Aid

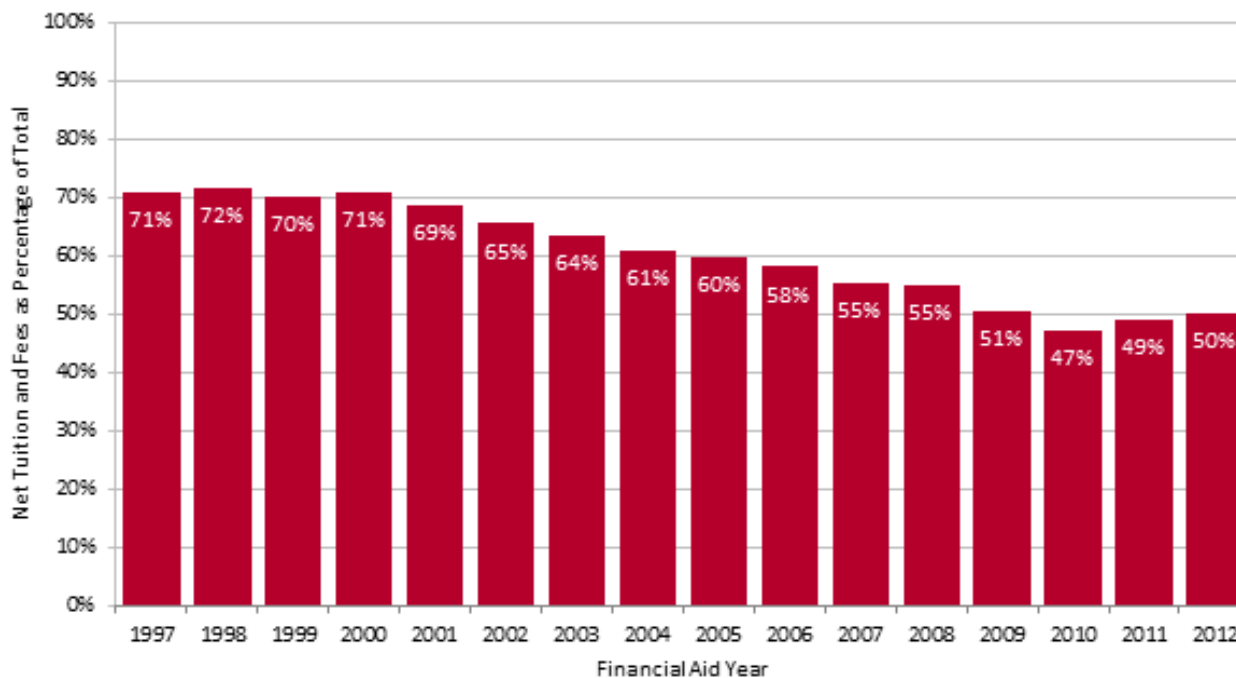
Principles of MIT Undergraduate Financial Aid

To ensure that MIT remains accessible to all qualified students regardless of their financial resources, MIT is committed to three guiding financial aid principles:

- **Need-blind admissions:** MIT recruits and enrolls the most talented and promising students without regard to their financial circumstances.
- **Need-based financial aid:** MIT awards aid only for financial need. It does not award undergraduate scholarships for academic or athletic achievements or for other non-financial criteria.
- **Meeting the full need:** MIT guarantees that each student's demonstrated financial need is fully met.

As a result of these guiding principles, the Institute has historically assumed an increasingly higher percentage of net undergraduate tuition and fees, which reduces the cost to the student. However, 2011 and 2012 saw slight increases in net tuition and fees when compared to total tuition and fees, as exhibited by the chart below.

Net Undergraduate Tuition and Fees as a Percentage of Total Tuition and Fees*



*Net tuition and fees calculated as gross undergraduate tuition and fees received, minus MIT undergraduate scholarships.

Who Pays for an MIT Undergraduate Education

In 2011–2012, the annual price of an MIT education totaled \$55,670 per student—\$40,460 for tuition and fees, \$11,775 for room and board, an estimated \$2,763 for books, supplies, and personal expenses, and a per-student average of \$400 for travel. With 4,363 undergraduates enrolled, the collective price for undergraduates was \$242.9 million. Of this amount, families paid \$121.1 million, or 50 percent, and financial aid covered the remaining 50 percent. Since MIT subsidizes the cost of educating under-

graduates through its tuition pricing and continues to be the largest source of financial aid to its undergraduates, the Institute is the primary source for paying for an MIT undergraduate education, and families the secondary source.

Additionally, for students who received MIT scholarships, the family share is mainly based on family income with needier families paying a significantly smaller share of the price.

Average 2011–2012 Scholarship Packages and Share of Price by Family Income for MIT scholarship recipients

Family income of MIT undergraduates*	Number of MIT scholarship recipients	Percent of Undergraduates with MIT Scholarship	Average scholarship package†	Family share of price††	Financial aid share of price
\$0-25,000	380	98%	\$49,952	10%	90%
\$25,001-50,000	460	100%	\$48,195	13%	87%
\$50,001-75,000	385	97%	\$44,298	20%	80%
\$75,001-100,000	370	97%	\$37,621	32%	68%
\$100,001-125,000	320	95%	\$31,696	43%	57%
\$125,001-150,000	306	91%	\$24,049	57%	43%
\$150,001-175,000	212	83%	\$18,511	67%	33%
\$175,001-200,000	108	65%	\$15,515	72%	28%
\$200,001 and up	128	8%	\$10,618	76%	24%
Totals	2,669	60%	\$15,168	41%	59%

*Median family income for the 2011–2012 MIT scholarship recipients is \$82,389.

†Average scholarship package equals the average scholarship from any source (institutional, federal, state, and private) for MIT scholarship recipients only.

††Family share of price is computed as the difference between each MIT scholarship recipient's expense budget and their average scholarship package; it may differ from the calculated family contribution.

Forms of Undergraduate Financial Aid

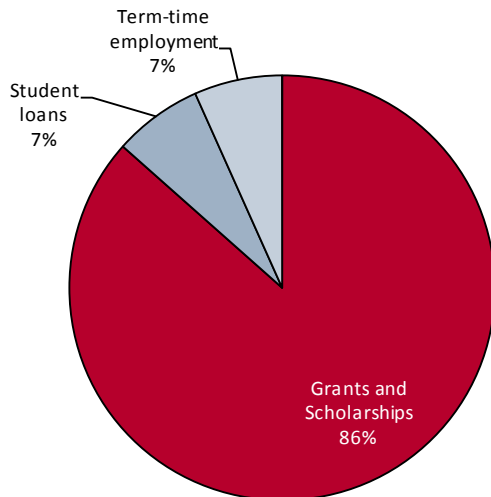
The primary form of financial aid to MIT undergraduates is grants or scholarships—terms that are used interchangeably, although grants are gift aid based on need and scholarships are gift aid based on merit. The share of undergraduate financial aid in the form of grants/scholarships is steadily rising with MIT’s efforts to reduce student self-help (i.e. loan and job expectations). Since 2005–2006 the share of undergraduate aid in the form of grants/scholarships rose from 80.9 to 86.6 percent while the share in the form of student loans fell from 11.1 to 6.7 percent, and term-time work decreased from 8.0 to 6.7 percent.

From the students’ perspective, grants are the sole form of aid that unambiguously increases the financial accessibility of college, since they don’t require

repayment and don’t increase the students’ indebtedness. The preponderance of grant aid at MIT sets the Institute apart from the national trend toward student loans as the primary form of undergraduate financial aid.

Over the last academic year, 22 percent of undergraduates borrowed \$8.2 million in student loans from all sources. The average loan was \$8,480. Student employment from on-campus jobs and Federal Work-Study Program positions (which include both on- and off-campus work) totaled \$8.2 million, with 63 percent of undergraduates working and earning an average of \$2,971 each.

**Types of Financial Aid for MIT Undergraduates
2011–2012**



**Amounts of Financial Aid for
MIT Undergraduates, 2011–2012**

<u>Aid Type</u>	<u>Amount (\$)</u>
Grants and Scholarships	105,467,161
Student Loans	8,217,126
Term-time employment	8,153,365
Total	121,837,652

Sources of Undergraduate Financial Aid

In 2011–2012, MIT provided 77.7 percent of undergraduate financial aid. The federal government provided 12.7 percent, and the remaining 9.6 percent came from state and private resources. MIT also differs here from the national trend of relying on the federal government as the largest source of financial aid.

MIT Financial Aid

Ninety-three percent of the financial aid that MIT provides comes in the form of grants. In 2011–2012, approximately 61 percent of MIT undergraduates received an MIT grant, averaging \$32,917 each. These grants come primarily from MIT's endowed funds, gifts from alumni and friends, and general Institute funds.

Federal Financial Aid

The U.S. Department of Education is the second-largest source of financial aid to MIT undergraduates. MIT participates in the Federal Pell Grant and the Federal Supplemental Educational Opportunity Grant, all of which provide need-based aid. Approximately 20 percent of MIT undergraduates receive Pell Grants. As of June 30th, 2011, the Academic Competitiveness Grant and the National Science and Mathematics Access to Retain Talent Grant Programs were eliminated.

MIT undergraduates also receive Robert C. Byrd Scholarships, the federally funded, state-administered grants which recognize exceptionally able high school seniors.

Forty percent of the federal aid that MIT undergraduates receive is in the form of loans. In 2011–2012, approximately 20 percent of MIT undergraduates received a federal loan, which averaged \$7,118 each.

MIT is a lender under the Federal Perkins Loan Program, which provides subsidized student loans; and takes part in the Federal Direct Loan Program,

which offers both subsidized and unsubsidized loans. It also participates in the Federal Work-Study Program, which provides student jobs, including paid community service positions. All of these programs are partnerships between the government and participating institutions, where institutions match the federal contributions with their own funds. MIT has participated in these programs since their inception and values their role in making an MIT education accessible to all qualified students.

In addition, MIT undergraduates receive federal aid for their participation in the Air Force, Army, and Navy ROTC. This aid is not based on need.

Private and State Financial Aid

Private sources of financial aid—including charitable and civic organizations, corporations, foundations, banks, and other financial institutions—are the third-largest source of financial aid to MIT undergraduates. This aid includes private grants and alternative student loans (so called to distinguish them from federal loans).

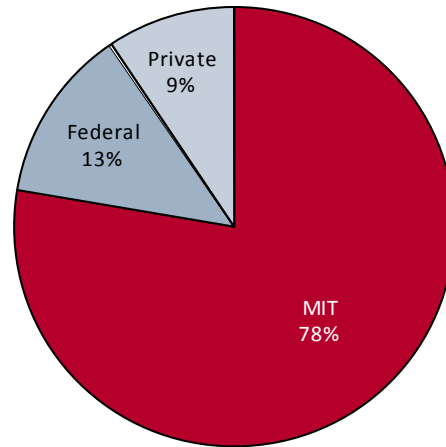
Students receive private scholarships in recognition of their academic accomplishments, athletic or musical skills, career interests, and many other criteria. Alternative loans ordinarily are unsubsidized and are based on the cost of education, less other financial awards, without any additional consideration for financial need.

Several states, in addition to Massachusetts, allow their residents to receive a state grant while attending MIT. These states include Connecticut, Delaware, Maine, New Hampshire, Pennsylvania, Rhode Island and Vermont. Most state grants are need-based. No state loan or employment programs are available to MIT undergraduates.

**Sources of Financial Aid for MIT Undergraduates*
2011–2012**

**Sources of Financial Aid for
MIT Undergraduates, 2011–2012**

<u>Aid Source</u>	<u>Amount (\$)</u>
MIT	94,632,625
Federal	15,524,612
State	214,812
Private	11,465,603
Total	121,837,652



*State financial aid amounts for less than one percent of aid.

The following chart summarizes the sources and types of financial aid MIT undergraduates received in 2011–2012.

Undergraduate Financial Aid 2011–2012

Source	Grants and Scholarships		Student Loans		Term-time Employment		Total†	
	Amount (\$)	Students	Amount (\$)	Students	Amount (\$)	Students	Amount (\$)	Students
MIT	87,856,306	2,669	201,400	68	6,574,919	2,322	94,632,625	3,567
Federal	7,767,350	1,036	6,178,816	868	1,578,446	522	15,524,612	1,960
State	214,812	115	N/A	N/A	N/A	N/A	214,812	115
Private	9,628,693	1,280	1,836,910	95	N/A	N/A	11,465,603	1,349
Total†	105,467,161	3,238	8,217,126	969	8,153,365	2,744	121,837,652	3,901

†The total column and row are unduplicated numbers of students.