



Chapter 3 Undergraduate Students: Affordability

Goals

Access is a central priority for the University admissions and enrollment process. The goal is to enable qualified students to attend regardless of socioeconomic background.

For many years, the U-M has provided financial aid that meets the full cost of attendance for admitted in-state students with demonstrated need. In 2017 the University enhanced this commitment with the Go Blue Guarantee, a pledge to provide the full cost of tuition to all admitted, in-state students whose family income is less than \$65,000 and family assets are less than \$50,000. Starting with Fall 2023, qualifying family income is \$75,000 with assets below \$75,000.

Overview

The University has worked hard in recent years to minimize tuition increases. It has been able to reduce the net cost of attendance for undergraduate students with financial need (despite dramatic declines in state support) by making sizeable and growing investments in financial aid, funded through a combination of aggressive cost containment and generous philanthropic contributions.

Furthermore, student support was the highest priority for the record-breaking Victors for Michigan fundraising campaign. The University has increased the institutional funds allocated to financial aid over the last decade at a pace higher than tuition increases over the same period. Aid packages combine need- and merit-based grants and scholarships, loans, and work study employment. In acknowledgment of the real concern over the nation's rising student loan debt, the University has worked hard to provide students with more and larger grants, which do not need to be repaid, and to reduce their reliance on loans.

In 2022-23, U-M disbursed financial aid to 69.8 percent of in-state and 48.7 percent of out-of-state students. The average student loan debt for class of 2023 in-state students was \$22,224.

For More Information

Office of Financial Aid (finaid.umich.edu/)

Go Blue Guarantee (goblueguarantee.umich.edu/)

U-M Affordability Guide for In-State Students

(admissions.umich.edu/costs-aid/michigan-residents/)

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Tuition and fees for in-state, first-year undergraduates started at \$8,868 per semester in the College of Literature, Science & the Arts, Penny W. Stamps School of Art & Design, Taubman School of Architecture & Urban Planning, and the School of Nursing. The remaining undergraduate programs charge higher rates.

3.1.1 Undergraduate Tuition and Required Fees, per Semester, Academic Year 2024-25.

School/College	Program	Per semester	
		In-State	Out-of-State
Taubman College of Architecture & Urban Planning	Lower Division	\$8,868	\$30,473
	Upper Division	\$9,980	\$32,608
Penny W. Stamps School of Art & Design	Lower Division	\$8,868	\$30,473
	Upper Division	\$9,980	\$32,608
Stephen M. Ross School of Business	Lower Division	\$9,398	\$30,986
	Upper Division	\$11,843	\$34,667
School of Dentistry (Dental Hygiene)	Lower Division	\$9,030	\$30,651
	Upper Division	\$10,150	\$32,792
School of Education	Upper Division	\$9,980	\$32,608
College of Engineering	Lower Division	\$9,480	\$30,651
	Upper Division	\$12,211	\$34,389
School of Information	Upper Division	\$9,980	\$32,608
School of Kinesiology	Lower Division	\$9,350	\$32,390
	Upper Division	\$10,714	\$35,371
College of Literature, Science & the Arts¹	Lower Division	\$8,868	\$30,473
	Upper Division	\$9,980	\$32,608
Medical School	Upper Division	\$9,980	\$32,608
School of Music, Theatre & Dance	Lower Division	\$9,218	\$30,877
	Upper Division	\$10,326	\$33,009
School of Nursing	Lower Division	\$8,868	\$30,473
	Upper Division	\$9,980	\$32,608
College of Pharmacy	Lower Division	\$8,868	\$30,473
	Upper Division	\$9,980	\$32,608
School of Public Health	Upper Division	\$9,980	\$32,608
Gerald R. Ford School of Public Policy	Upper Division	\$9,980	\$32,608

SOURCE: U-M Student Data Sets

Tuition and fees contribute to paying for the cost of instruction, financial aid, academic advising, libraries, computing centers, and other student support services. Tuition rates vary by school and college in part because the delivery costs for programs vary or because the demand for certain programs is greater than for others.

Tuition and required fees increased by 2.9 percent compared to 2023-24 for in-state undergraduate students. Out-of-state

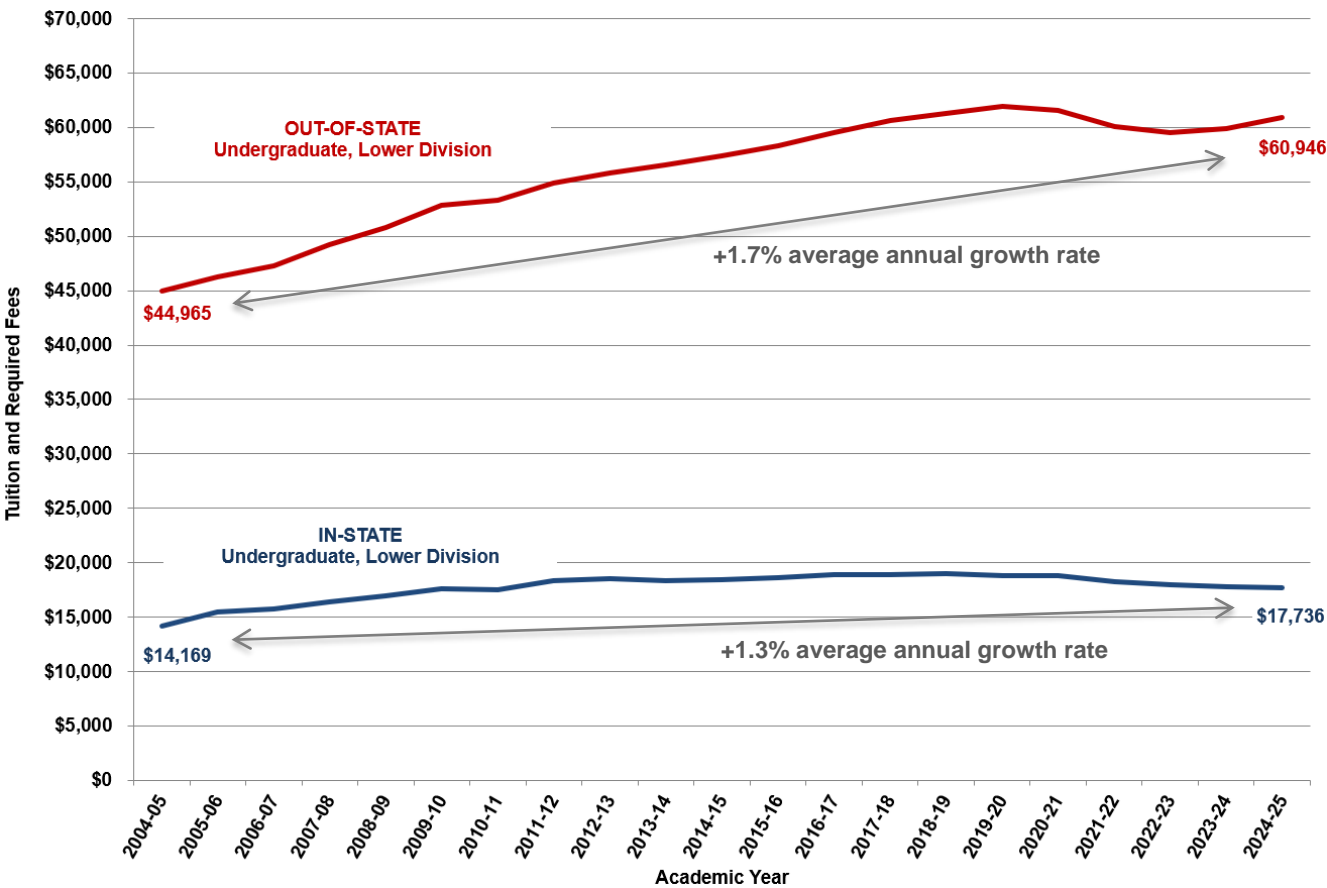
undergraduates saw increases of 4.9 percent over the previous year.

Students who have completed fewer than 55 credits toward program completion pay the Lower Division tuition rates. Those who have completed 55 credits or more pay Upper Division rates.

¹ College of Literature, Science & the Arts students majoring in computer science are assessed the College of Engineering tuition and fees rate.

Tuition and fees, adjusted for inflation, for in-state, first-year undergraduates have increased by \$3,567 during the last 20 years, an annual growth rate of 1.3%. The analogous increase for out-of-state first-year undergraduates is \$15,981, or 1.7%. Both of these rates are lower than the growth in inflation of 2.6%.

3.1.2 Inflation-Adjusted² Tuition and Required Fees for First-Year Undergraduates, Academic Year 2005-2025.



SOURCE: U-M Student Data Sets

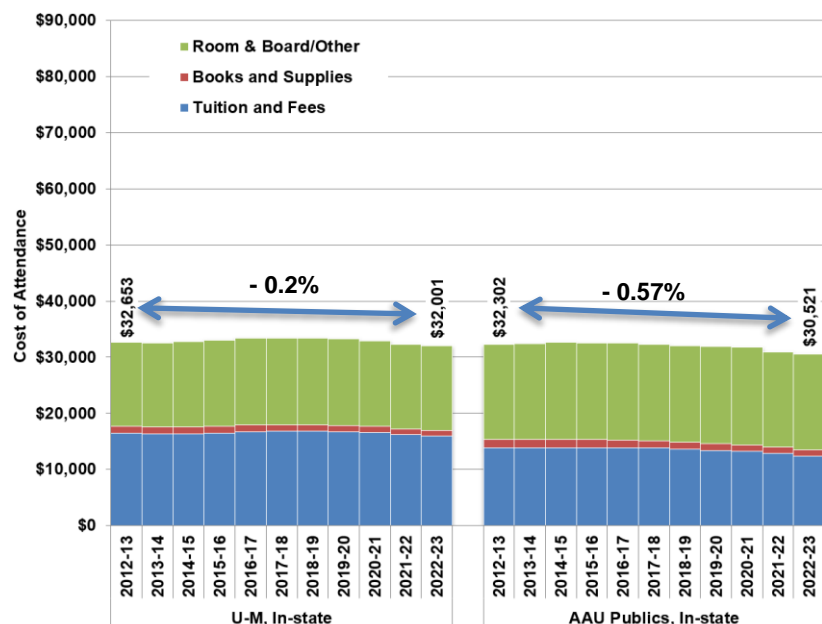
Although the amount paid each year in tuition and required fees varies by school and college, the rates in the above chart are what about two-thirds of first-year undergraduate students pay (that is, those enrolled in the College of Literature, Science and the Arts, Taubman College of Architecture & Urban Planning, Stamps School of Art & Design, and School of Nursing).

Due to declining state appropriations, tuition and fees make up an increasing portion of the general fund budget that is required to cover the costs of instruction, financial aid, academic advising, libraries, computing centers, and related student support services (see chart 10.2).

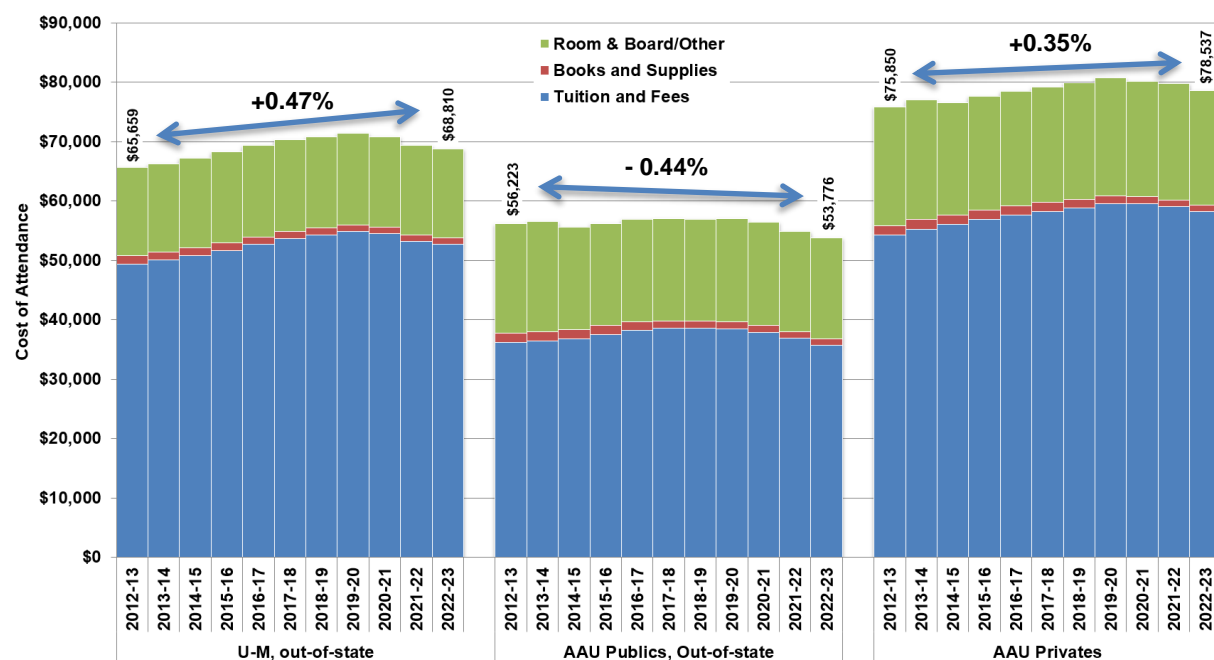
² Based on the FY2025 U.S. Employment Cost Index (as estimated by the U-M Research Seminar in Quantitative Economics)

Over the last decade, the average annual change in Cost of Attendance for in-state U-M first-year undergraduate students is slightly decreasing at a rate comparable to in-state first-years at AAU public universities.

3.2.1 Total Cost of Attendance before Financial Aid for In-State Students at U-M and the Average of AAU Public Universities, Adjusted for Inflation³, AY2013-2023.



3.2.2 Total Cost of Attendance before Financial Aid for Out-of-State Students at U-M and the Averages of AAU Public and of Private Universities, Adjusted for Inflation³, AY2013-2023.



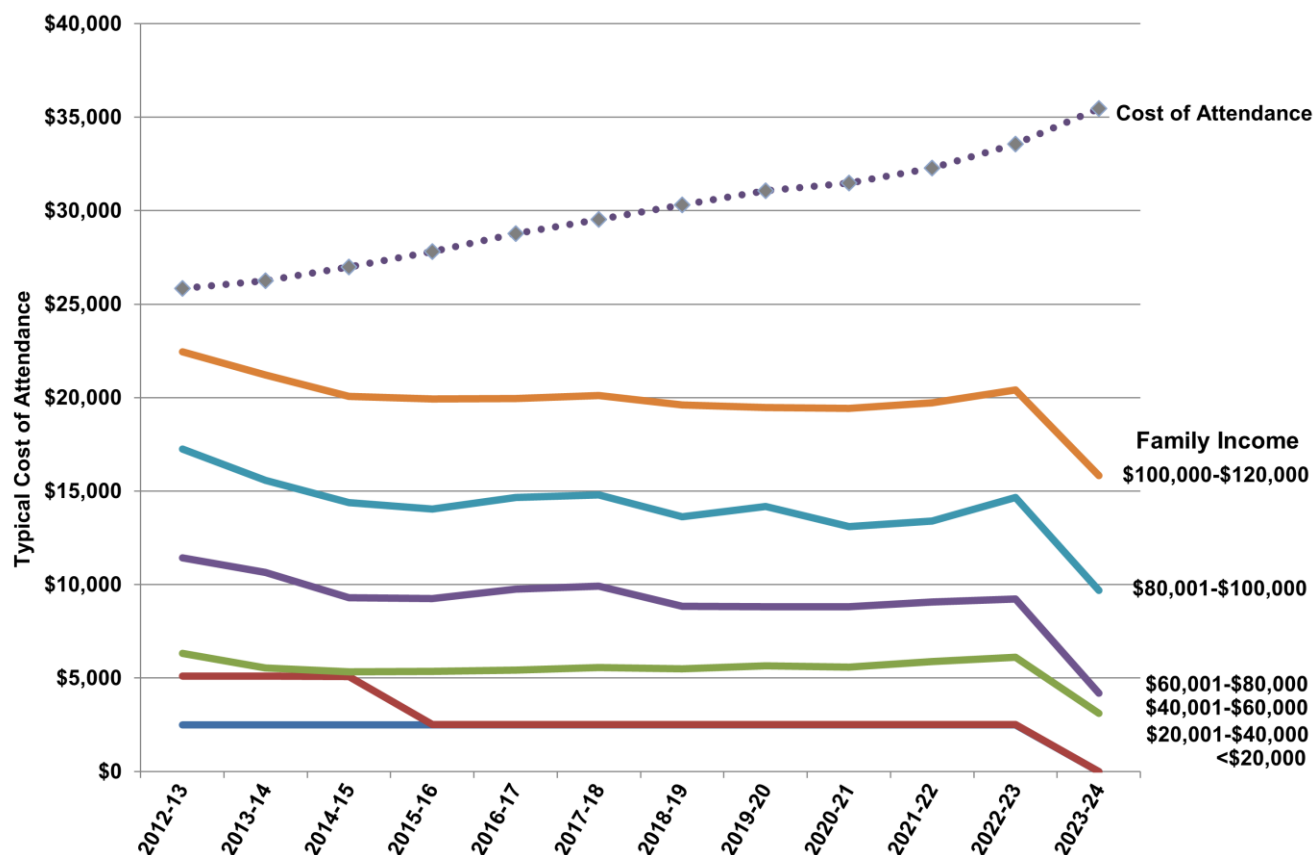
SOURCE (both charts): Integrated Postsecondary Education Data System (IPEDS)³ Based on 2023 U.S. Employment Cost Index.

The total cost of attendance for incoming first-years is a benchmark figure that includes tuition and required fees and room and board, plus reasonable estimates for the costs of books and supplies, transportation, and miscellaneous

expenses. The actual cost of attendance for individual students will vary depending on financial aid provided, transportation requirements and housing choices.

A typical in-state student with a family income up to \$120,000 pays significantly less to attend U-M today than 10 years ago through long-term investment in institutional aid and increased state of Michigan investment in need-based scholarship aid with the Michigan Achievement Scholarship starting in Academic Year 2023-24.

3.3.1 Typical Cost of Attendance³ for U-M In-State First-Year Undergraduates by Family Income Level, Before Merit Aid, Adjusted for Inflation⁴, Academic Year 2014-2024.



SOURCE: U-M Sample Financial Aid Packages, Office of Financial Aid

Students from in-state families in the lowest income brackets are not required to pay anything out-of-pocket to attend the University of Michigan. The \$3,100 net cost for the \$40,001-\$60,000 group represents the cost not covered by grants or scholarships. This cost can be provided by the student/student's family, through a student loan, or through a work-study job. In addition, work-study opportunities are offered now to all students whose family income is \$120,000 or less.

The dotted line labeled Cost of Attendance is the cost before taking into account any grants, loans or scholarships that may be available to reduce the out-of-pocket costs.

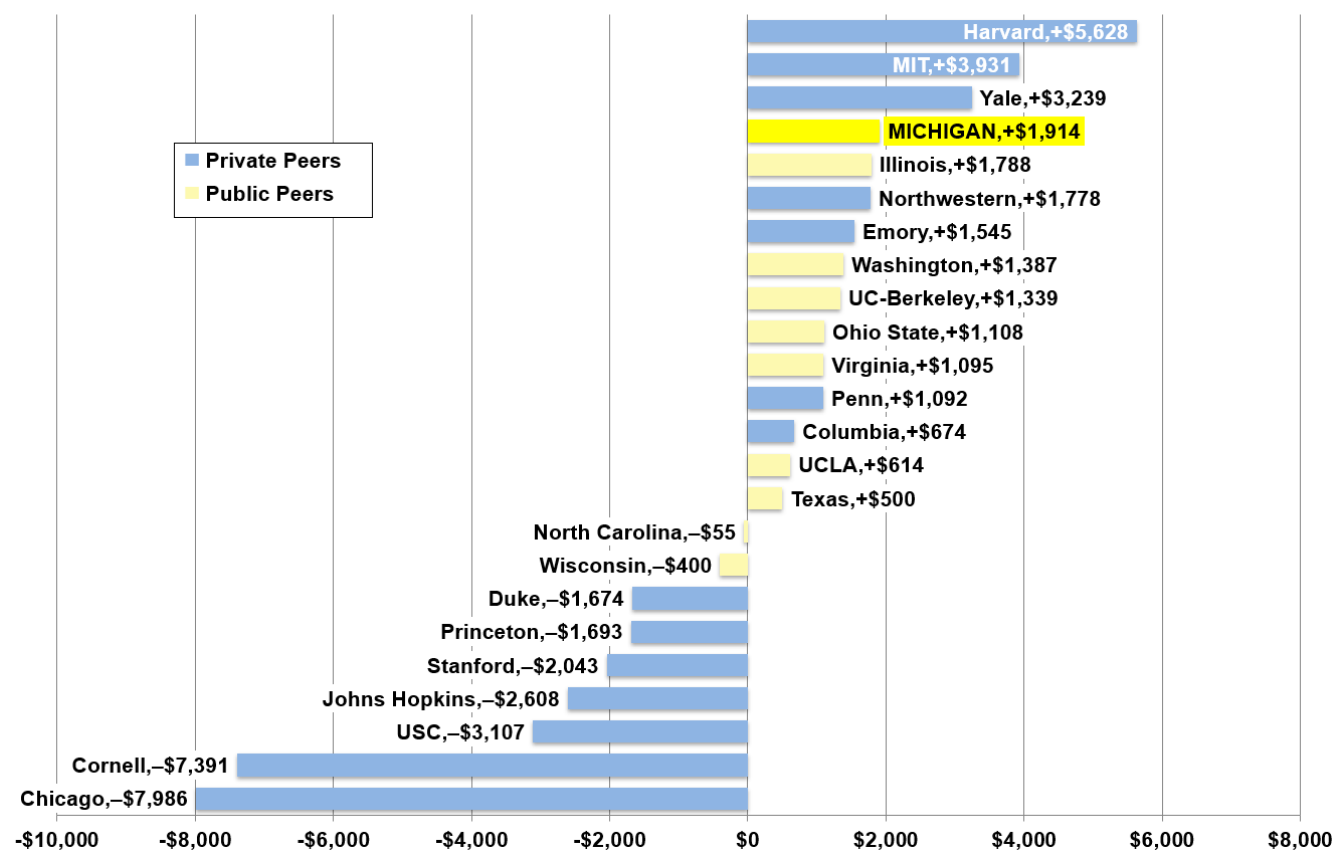
Merit-based scholarship aid is not reflected in the cost of attendance data presented here. Merit awards reduce the need to take loans or to participate in work-study as part of a student's Expected Family Contribution (EFC) as calculated by the Department of Education using FAFSA information. Beginning with the 2024-25 academic year, the EFC will be replaced with the Student Aid Index.

³ The calculation of typical cost of attendance includes tax credits available to families with annual incomes in the \$20,000 to \$100,000 range.

⁴ Inflation adjustment based on estimated Detroit Consumer Price Index for 2024.

The net price for U-M in-state, first-year undergraduate students who received federal financial aid increased \$1,914 between 2021 and 2023, near the top of the range compared to peer universities.

3.3.2 Dollar Change in Average Net Price for First-Year Undergraduates Receiving Federal Aid at U-M and Peers Between Academic Years 2021 and 2023.

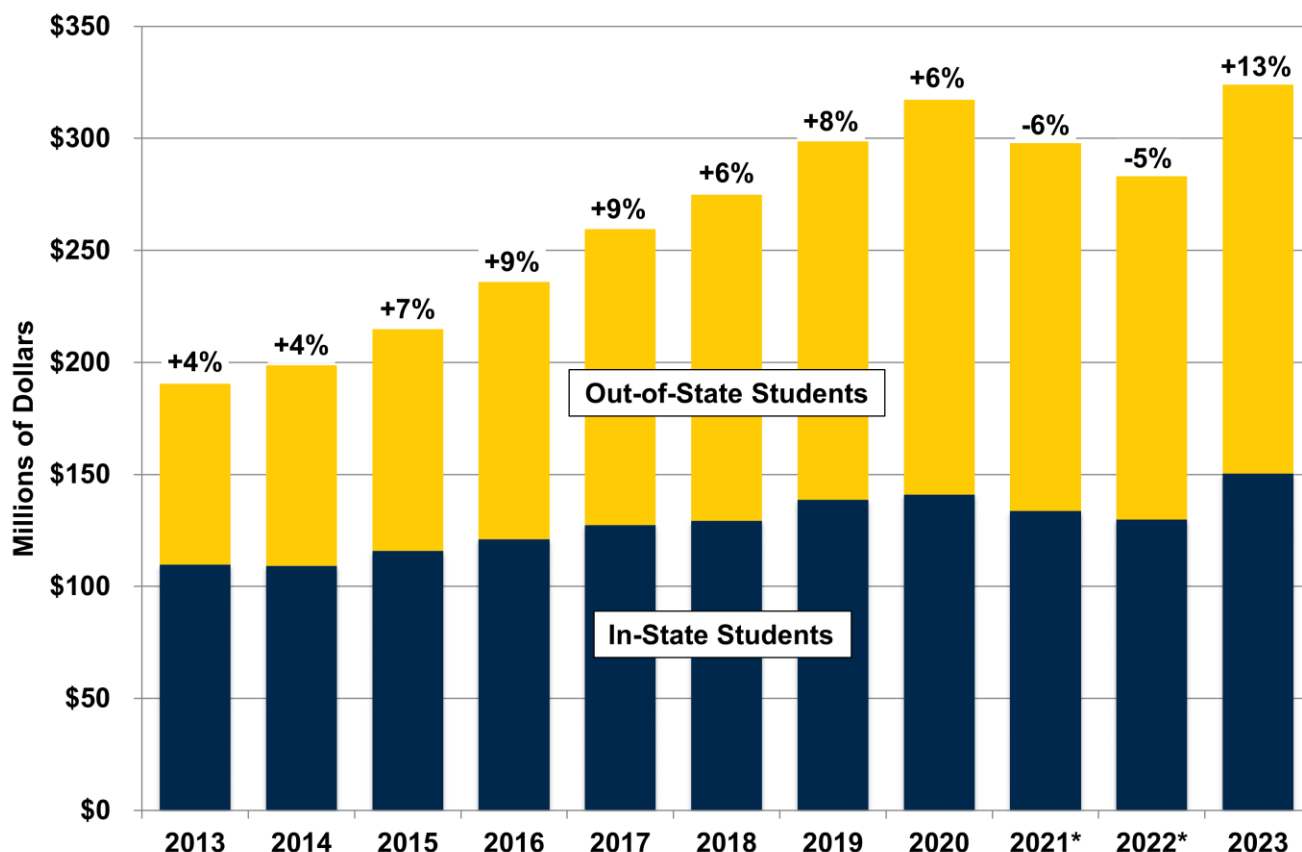


SOURCE: College Scorecard dataset, U.S. Department of Education

During the pandemic, federal funds were used in FA packaging that were not included in the calculation of net price making it appear as if net price increased. Due to these incremental federal funds used in FA, overall, students were not negatively impacted by the changes in net price. Since the calculation looks at the subset of in-state students receiving federal aid, a school's typical cost rises or falls depending both on the published costs and on how its financial aid budget is spread over qualifying students.

In the 2022-23 academic year, U-M disbursed \$325 million in grant and scholarship aid from university funds to undergraduate students, an inflation-adjusted increase of \$41.8 million from the previous year.

3.4 Total U-M Expenditures for Undergraduate Student Grant and Scholarship Aid, by In-State/Out-of-State Status, Adjusted for Inflation⁵, Academic Year 2013-2023.



SOURCE: U-M Financial Aid Data

This chart shows the amount of financial aid paid to undergraduates from institutional funds as both need-based grants and merit-based scholarships. The value above each column is the percentage increase in expenditures for grant and scholarship aid from the previous year.

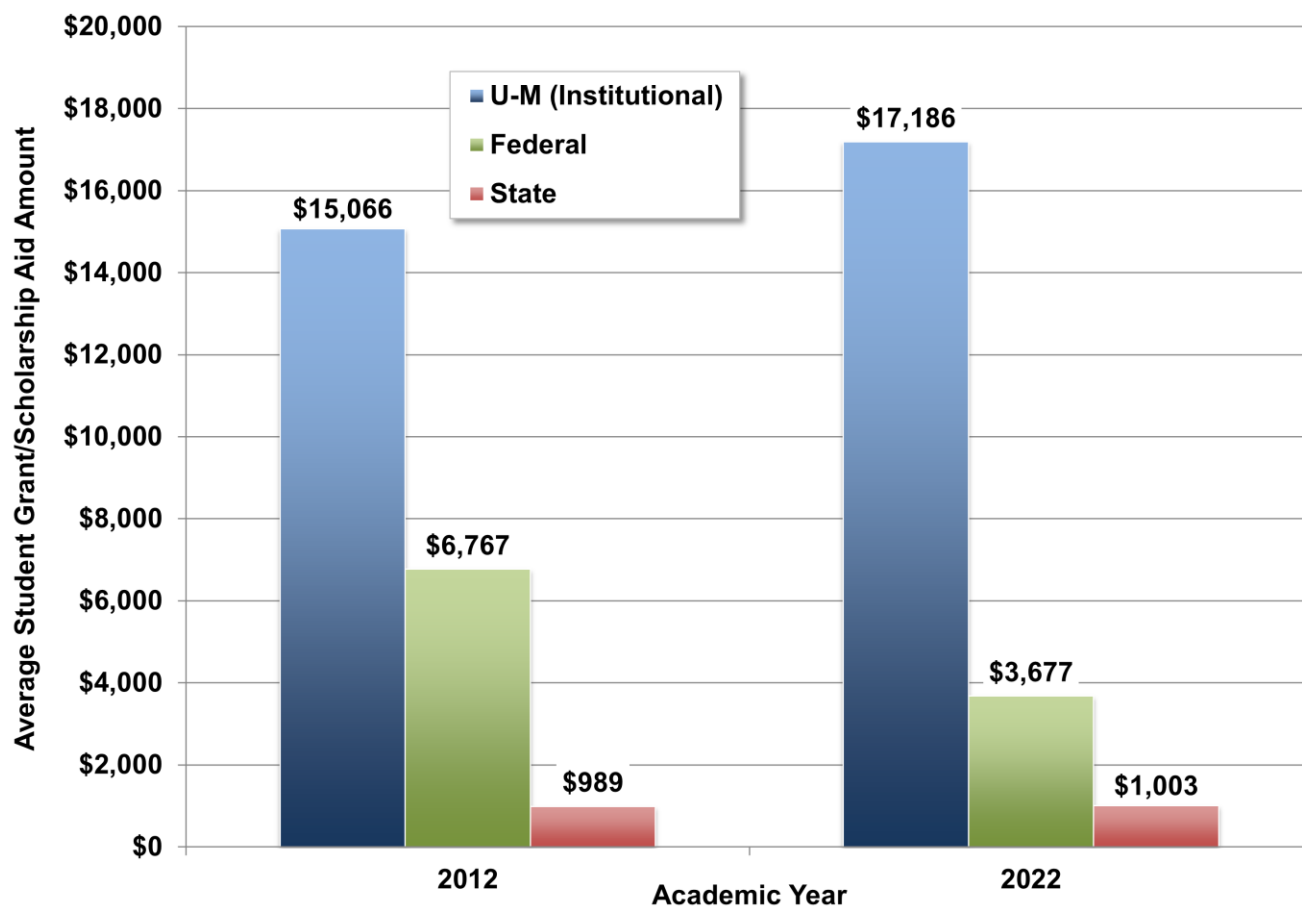
In 2023, institutional financial aid expenditures increased substantially to further continue the upward trend in institutional investments in grant and scholarship aid.

* During the pandemic in 2021 and 2022, incremental federal funds were used in financial aid packaging, and the total financial aid awarded to undergraduates remained on a positive trajectory consistent with prior years.

⁵ Inflation based on 2023 U.S. Employment Cost Index.

Comparing academic years 2012 and 2022, U-M increased the inflation-adjusted average grant and scholarship aid to first-year undergraduate students by \$2,120. At the same time, the adjusted average grant and scholarship aid from the federal government decreased by \$3,090 and the average state grant and scholarship aid increased by \$14.

3.5.1 Average Grant and Scholarship Award by Aid Source, Adjusted for Inflation⁶, for U-M First-Year Undergraduate Students, Academic Years 2012 and 2022.



SOURCE: Integrated Postsecondary Education Data System (IPEDS)

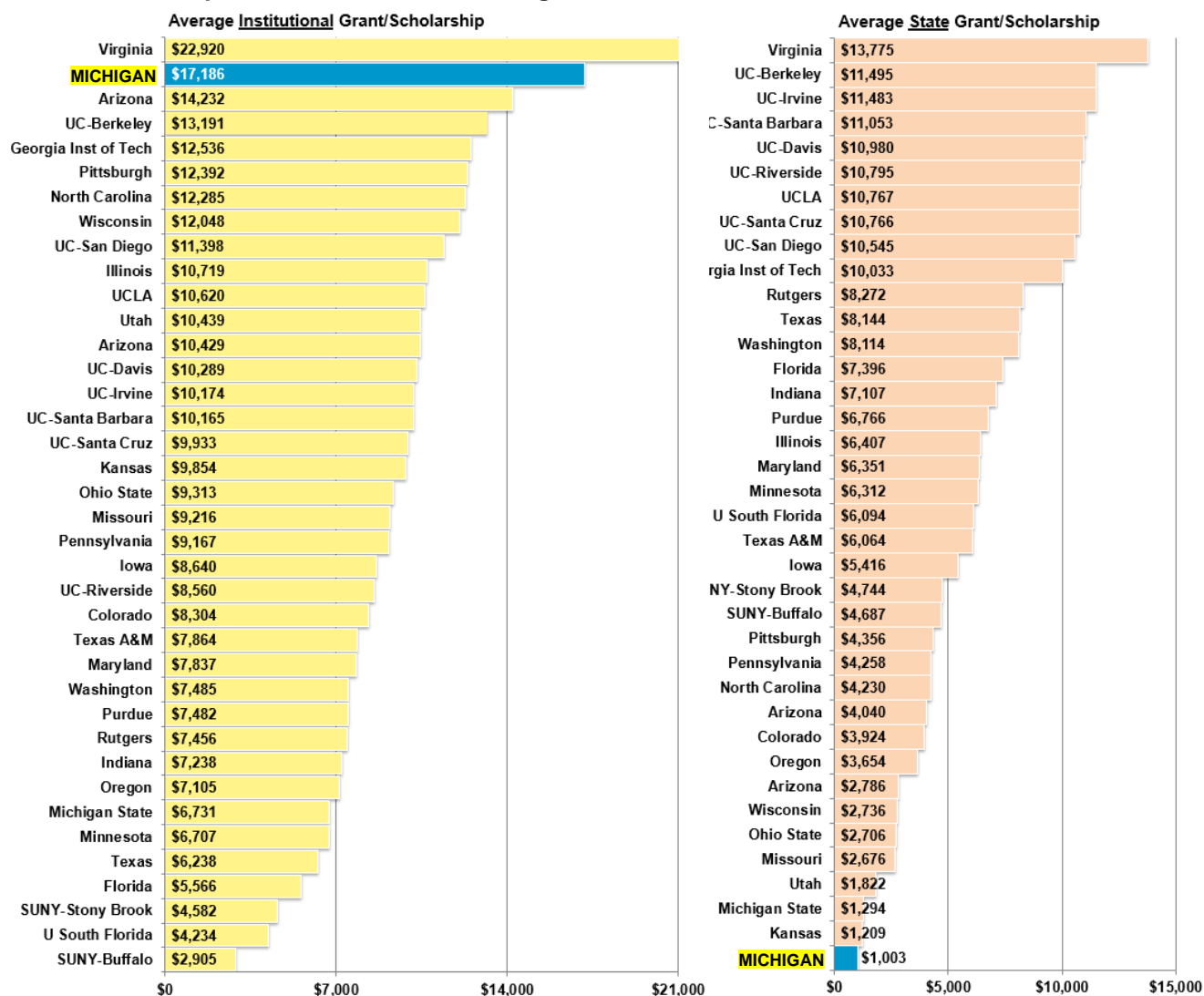
On average, the inflation-adjusted, grant and scholarship aid from the U-M to a first-time, full-time undergraduate student was 14 percent higher in academic year 2022 than in 2012.

Conversely, when adjusted for inflation, the average grant and scholarship aid from the State of Michigan was 1 percent larger now compared to a decade ago, and federal grant and scholarship aid, adjusted for inflation, was 46 percent smaller.

⁶ Based on 2022 U.S. Employment Cost Index.

The University of Michigan provides the second-highest average grant/scholarship aid from INSTITUTIONAL funds of all AAU public institutions. U-M's aid is important because corresponding state aid is lowest of all AAU public universities.

3.5.2 Average Institutional Grant or Scholarship Award Compared to the Average State Grant and Scholarship Award for First-Year Undergraduates, U-M and AAU Public Universities, AY2022.



SOURCE: Integrated Postsecondary Education Data System (IPEDS)

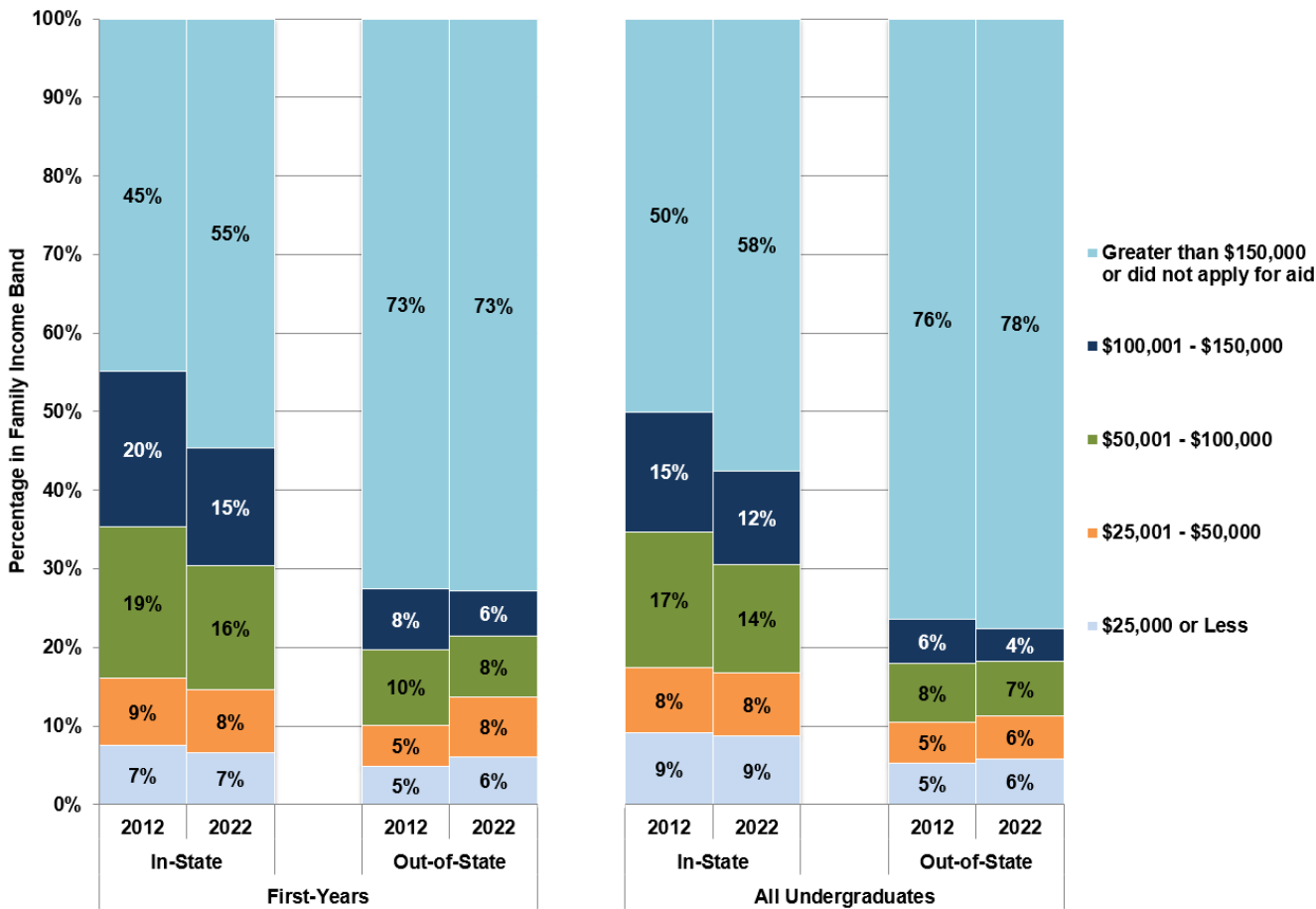
Only one AAU public university – the University of Virginia, at \$22,920 per student – offered larger average institutional grant and scholarship aid to first-year undergraduate students during academic year 2022. U-M's average institutional grant/scholarship aid to first-years was \$17,186.

The average State of Michigan grant/scholarship to U-M students is smaller than the comparable average state aid provided to any other AAU public university. The State of Michigan recently funded a new aid program, so any effect it has on the average state aid should begin to show up in future years.

⁷ The average aid calculation includes only students who receive such aid.

Overall, the fraction of first-year undergraduate students from families with high incomes has increased for 2022 compared to 2012.

3.6.1 Family Income Distribution for First-Year and All Undergraduate Students, by In-State/Out-of-State Status, Fall 2012 and Fall 2022.



SOURCE: U.S. Department of Education

Family income is based on data reported by families on the Free Application for Federal Student Aid (FAFSA), an online form that college students must complete to be considered for financial aid.

In 2021-22 the U-M enrolled a lower percentage of students eligible for Pell Grants compared to many other AAU public universities, and slightly higher to the levels at most private AAU universities.

3.6.2 Pell Grant Recipients as Percent of Undergraduate Student Body, U-M and AAU Institutions, 2021-22.

Public universities are shaded in yellow; private university data are shaded in blue

Percent of undergraduates with Pell grants	
AAU Privates (average)	16%
AAU Publics (average, excluding U-M)	23%
University of California-Riverside	49%
University of California-Irvine	38%
Stony Brook University	37%
University of California-Davis	33%
University of California-San Diego	32%
University at Buffalo (SUNY)	32%
University of California-Santa Cruz	32%
Arizona State University	31%
University of California-Santa Barbara	30%
Rutgers University-New Brunswick	28%
University of Arizona	28%
University of California-Los Angeles	27%
University of California-Berkeley	27%
University of Illinois Urbana-Champaign	25%
The University of Texas at Austin	24%
University of Oregon	23%
University of Florida	22%
Columbia University	22%
Michigan State University	22%
University of Southern California	22%
University of North Carolina at Chapel Hill	21%
University of Utah	21%
University of Missouri-Columbia	21%
Ohio State University-Main Campus	20%
Texas A & M University-College Station	20%
Princeton University	19%
Yale University	19%
University of Kansas	19%
Emory University	19%
University of Iowa	19%
Stanford University	19%

Percent of undergraduates with Pell grants	
(Continued from bottom of first column)	
New York University	19%
Massachusetts Institute of Technology	18%
Northwestern University	18%
University of Maryland-College Park	18%
University of Michigan-Ann Arbor	18%
Cornell University	18%
Johns Hopkins University	18%
University of Minnesota-Twin Cities	18%
University of Washington-Seattle Campus	17%
Indiana University-Bloomington	17%
Boston University	17%
Rice University	17%
Vanderbilt University	17%
Dartmouth College	16%
University of Rochester	16%
Brandeis University	16%
Case Western Reserve University	16%
University of Miami	16%
University of Wisconsin-Madison	15%
Carnegie Mellon University	15%
George Washington University	15%
University of Pennsylvania	15%
Washington University in St Louis	15%
Purdue University	15%
University of Colorado Boulder	14%
University of Virginia	14%
University of Pittsburgh	13%
California Institute of Technology	14%
Pennsylvania State University	14%
Brown University	13%
Georgia Institute of Technology	13%
Harvard University	13%

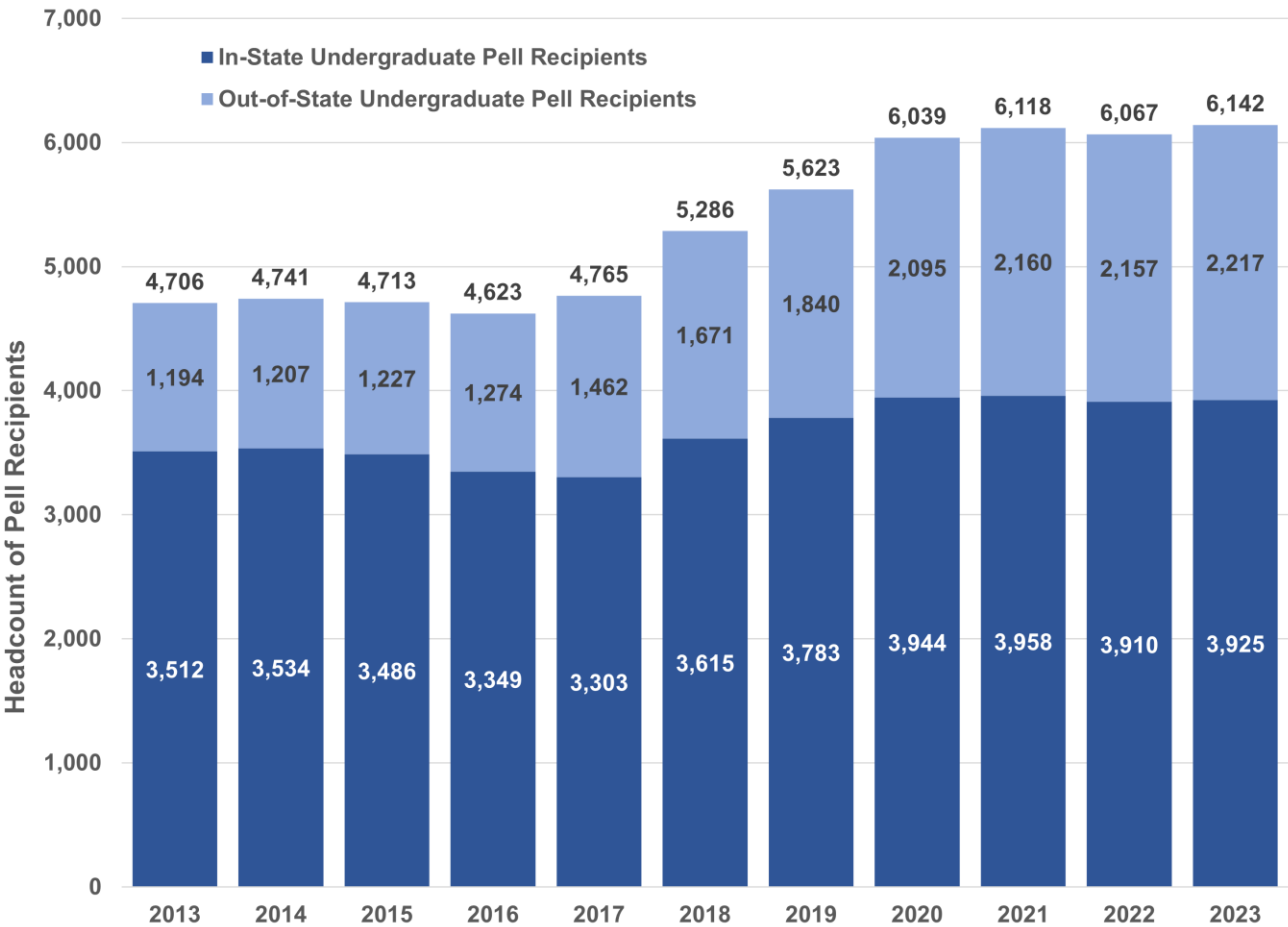
SOURCE: Integrated Postsecondary Education Data System (IPEDS)

The Federal Pell Grant Program provides need-based grants to low-income undergraduate students to promote access to a college education. Pell Grants, unlike loans, do not need to be repaid. The maximum Pell Grant for the 2021-22

academic year was \$6,495, which then may be adjusted for each recipient according to financial need, cost to attend school, and status as a full-time/part-time and full-year/part-year student.

Many more U-M undergraduate students received Pell grants in 2022-23 compared to a decade prior.

3.6.3 Number of In-State/Out-of-State U-M Undergraduate Students Awarded Pell Grants, 2013-2023.



SOURCE: U-M Office of Financial Aid

Pell grants are need-based awards made to students based on the student's family income, as reported on the Free Application for Federal Student Aid (FAFSA), an online form that college students must complete to be considered for financial aid.

Seventy percent of in-state undergraduate students received some kind of financial aid, and 45 percent of in-state undergraduates were provided with need-based grants.

3.6.4 Number and Percentage of Undergraduate Students Receiving Aid Payments, by Aid Type, 2022-23.

Aid Type	In-State ⁸ (17,032) ⁹	Out-of-State ⁸ (15,663) ⁹
Need-based Grant Aid	7,597 (45%)	4,170 (27%)
Merit-based Scholarship Aid	8,639 (51%)	4,646 (30%)
Work-Study	1,489 (9%)	734 (5%)
Loans	4,038 (24%)	3,757 (24%)
Any Type of Aid	11,887 (70%)	7,622 (49%)

3.6.5 Total Financial Aid Expenditures and Average Expenditure per Student, 2022-23.

Aid Awarded	In-State ¹⁰	Out-of-State ¹⁰
Total Aid Expenditures from all Sources	\$236,913,507	\$299,761,040
Average Total Aid Expended per Student Receiving Any Type of Aid¹⁰	\$19,930	\$39,328

Source: U-M Office of Financial Aid

In reviewing these charts, please note: a) many students receive multiple types of aid, b) many merit-based scholarships also have a need-based component in their criteria, and, c) the loan data includes *all* student loans, whether included in a student's financial aid package or as a supplemental loan.

The values in both tables represent aid paid to the students.

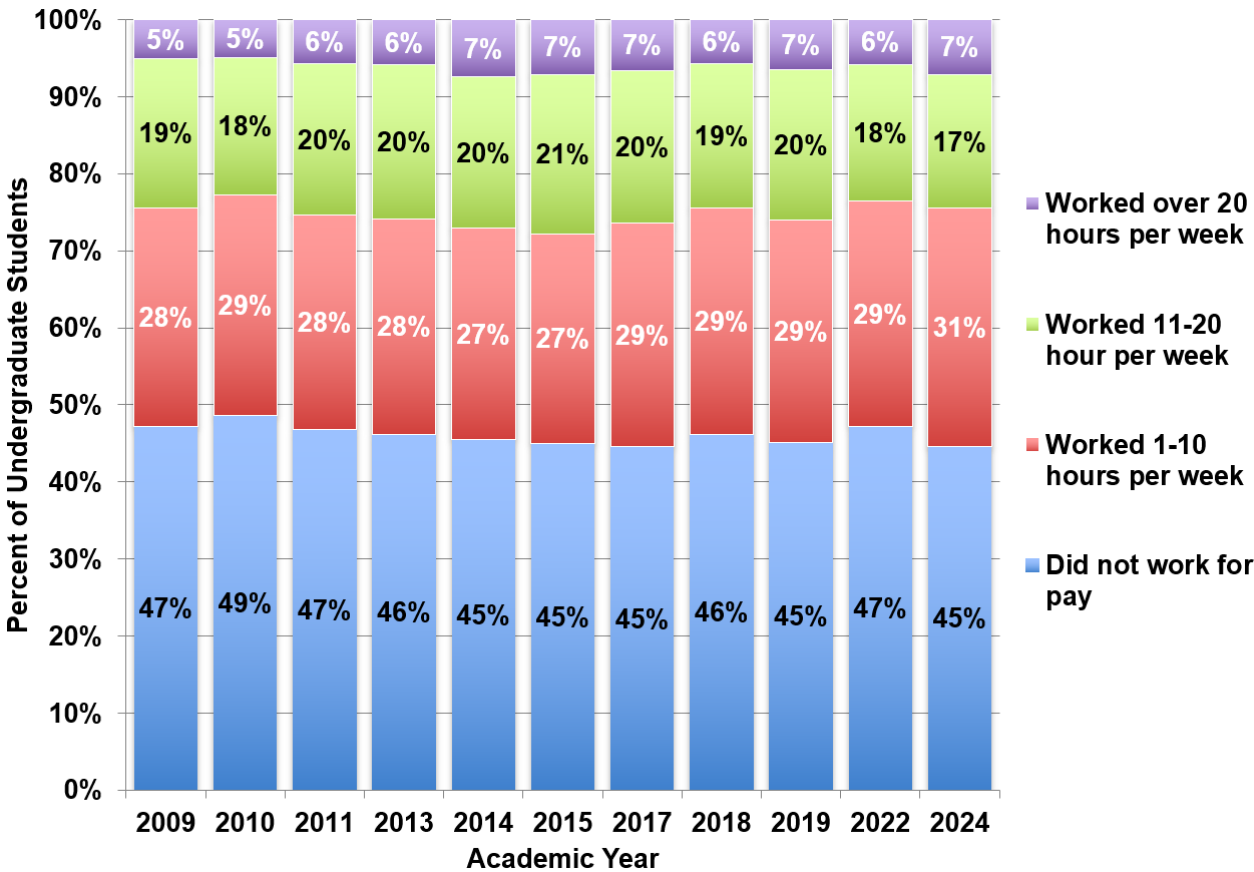
⁸ Tuition residency status

⁹ Fall 2023 enrollment

¹⁰ Average based on students who received aid payments

Just over half of U-M undergraduate students who responded to a regular survey of undergraduates students worked for pay while in school; of those who did, most worked 10 hours a week or less during the academic year.

3.7 Weekly Hours of Paid Work by U-M Undergraduate Students¹⁰, 2009-2024.



SOURCE: University of Michigan Asks You (UMAY) undergraduate survey

According to student survey results, the time devoted to work for pay has been fairly consistent over time.

¹⁰ Percentage distributions exclude students who did not respond to the surveys.

Nearly two-thirds of in-state undergraduate students in the 2023 graduating class completed their degrees without incurring student loan debt, and the number of in-state students graduating with debt declined this year.

3.8 Average U-M Student Loan Debt at Graduation for All, In-State, and Out-of-State Undergraduate Students, 2022-23.

	2022-23 Graduating Class (7,904) ¹²	In-State ¹¹ (4,079) ¹²	Out-of-State ¹¹ (3,825) ¹²
Average Loan Burden	\$26,860	\$22,224	\$33,420
Number of Graduates with Loans	2,618	1,534	1,084
Percent of Graduates with Loans	33% of all undergraduates	38% of in-state graduates	28% of out-of-state graduates

SOURCE: U-M Financial Aid Data

Thirty-three percent of the 2022-23 undergraduate class graduated with debt. The average loan burden for in-state student graduates was \$22,224 and for out-of-state students was \$33,420. Compared to the previous year's graduating class, the average debt burden at graduation decreased by

\$1,659 for in-state students and increased by \$563 for out-of-state students. The number and percentage of in-state students with loan debt at graduation declined by 134 (-8%) compared to the previous year.

¹¹ Tuition residency status

¹² Headcounts from 2022-23 graduating class