

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 packages that meet 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 2021-22, U-M disbursed financial aid to 69.2 percent of in-state and 47.3 percent of out-of-state students. The average student loan debt for class pf 2022 in-state students was \$23,883.

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/)

Charts in Chapter 3

- 3.1.1 Undergraduate Tuition and Required Fees, per Semester, Academic Year 2023-24.
- 3.1.2 Inflation-Adjusted Tuition and Required Fees for First-Year Undergraduates, Academic Year 2004-2024.
- 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 Inflation, Academic Year 2012-2022.
- 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 Inflation, Academic Year 2012-2022.
- 3.3.1 Typical Cost of Attendance for U-M In-State First-Year Undergraduates by Family Income Level, Before Merit Aid, Adjusted for Inflation, Academic Year 2014-2024.
- 3.3.2 Dollar Change in Average Net Cost of Attendance for First-Year Undergraduates Receiving Aid, at U-M and Peers, Between Academic Years 2019 and 2021.
- 3.4 Total U-M Expenditures for Undergraduate Grants and Scholarships, by In-State/Out-of-State Status, Adjusted for Inflation, Academic Year 2012-2022.
- 3.5.1 Average Grant and Scholarship Award by Aid Source, Adjusted for Inflation, for First-Year Undergraduates at U-M, Academic Year 2012 and 2022.
- 3.5.2 Average Institutional Grant or Scholarship Award Compared to the Average State Grant and Scholarship Award for First-Year Undergraduate Students, U-M and AAU Public Universities, AY2021.
- 3.6.1 Family Income Distribution for First-Years and All Undergraduates, by In-State/Out-of-State Status, Fall 2011 and Fall 2021.
- 3.6.2 Pell Grant Recipients as Percent of Undergraduate Student Body, U-M and AAU Institutions, 2020-21.
- 3.6.3 Number and Percentage of In-State/Out-of-State U-M Undergraduates Awarded Pell Grants, 2012-2022.
- 3.6.4 Number and Percentage of Undergraduate Students Receiving Aid Payments, by Aid Type, 2021-22.
- 3.6.5 Total and Average Financial Aid Expenditure per Student Receiving Aid, 2021-22.
- 3.7 Weekly Hours of Paid Work by U-M Undergraduate Students, 2009-2022
- 3.8 Average Student Loan Debt Burden at Graduation for All, In-State, and Out-of-State U-M Undergraduate Students, 2021-22.

Tuition and fees for in-state, first-year undergraduates started at \$8,614 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 2023-24.

0.1	Per semester		
School/College	Program	In-State	Out-of-State
Taubman College of Architecture & Urban Planning	Lower Division	\$8,614	\$29,036
	Upper Division	\$9,695	\$31,071
Penny W. Stamps School of Art & Design	Lower Division	\$8,614	\$29,036
Tomy W. Stamps School of Art a Boolgii	Upper Division	\$9,695	\$31,071
Stephen M. Ross School of Business	Lower Division	\$9,129	\$29,525
	Upper Division	\$11,504	\$33,032
School of Dentistry (Dental Hygiene)	Lower Division	\$8,772	\$29,206
, (2 common)	Upper Division	\$9,860	\$31,246
School of Education	Upper Division	\$9,695	\$31,071
College of Engineering	Lower Division	\$9,209	\$29,206
College of Engineering	Upper Division	\$11,862	\$32,768
School of Information	Upper Division	\$9,695	\$31,071
Oak as Laf Kimasia Lama	Lower Division	\$9,083	\$30,863
School of Kinesiology	Upper Division	\$10,407	\$33,703
College of Literature, Science & the Arts ¹	Lower Division	\$8,614	\$29,036
College of Ellerature, Science & the Arts	Upper Division	\$9,695	\$31,071
Medical School	Upper Division	\$9,695	\$31,071
School of Music Theorem & Dones	Lower Division	\$8,954	\$29,421
School of Music, Theatre & Dance	Upper Division	\$10,031	\$31,453
School of Nursing	Lower Division	\$8,614	\$29,036
ochool of Nationing	Upper Division	\$9,695	\$31,071
College of Pharmacy	Lower Division	\$8,954	\$29,421
	Upper Division	\$9,695	\$31,071
School of Public Health	Upper Division	\$9,695	\$31,071
Gerald R. Ford School of Public Policy	Upper Division	\$9,695	\$31,071

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.

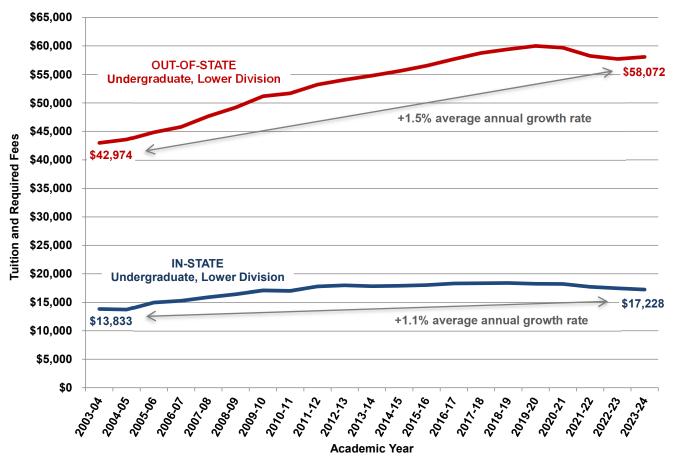
Tuition and required fees increased by 2.9 percent compared to 2022-23 for in-state undergraduate students. Out-of-state undergraduates saw increases of 4.9 percent over the previous year.

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 \$3,930 during the last 20 years, an annual growth rate of 1.3%. The analogous increase for out-of-state first-year undergraduates is \$16,759, or 1.7%. Both of these rates are lower than the growth in the Consumer Price Index of 2.6%.

3.1.2 Inflation-Adjusted² Tuition and Required Fees for First-Year Undergraduates, Academic Year 2004-2024.



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).

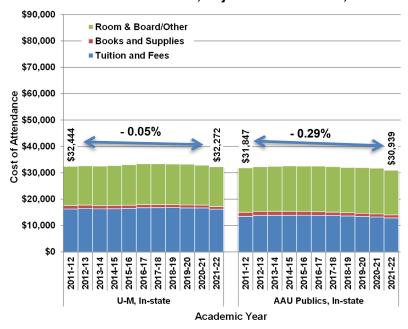
Students who have completed fewer than 55 credits toward program completion pay U-M "Lower Division" rates. Those who have completed 55 credits or more pay Upper Division rates (see detailed rates for the current year in Table 3.1.1).

Tuition and fees contribute an ever-growing fraction of the costs for instruction, financial aid, academic advising, libraries, computing centers, and related student support services (see chart 10.2).

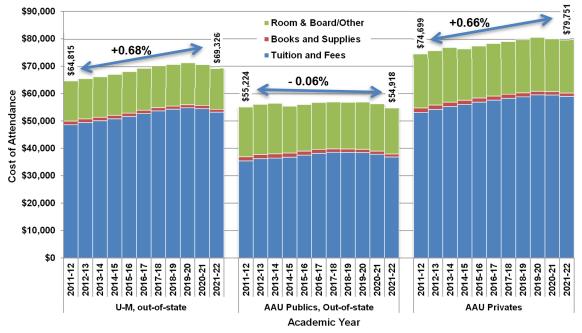
² Based on the FY2024 U.S. Employment Cost Index (as estimated by the U-M Research Seminar in Quantitative Economics)

Over the last decade, the average annual change in "sticker price" for in-state U-M first-year undergraduate students is relatively flat compared to a small decrease for 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, AY2012-2022.



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, AY2012-2022.



SOURCE (both charts): Integrated Postsecondary Education Data System (IPEDS)

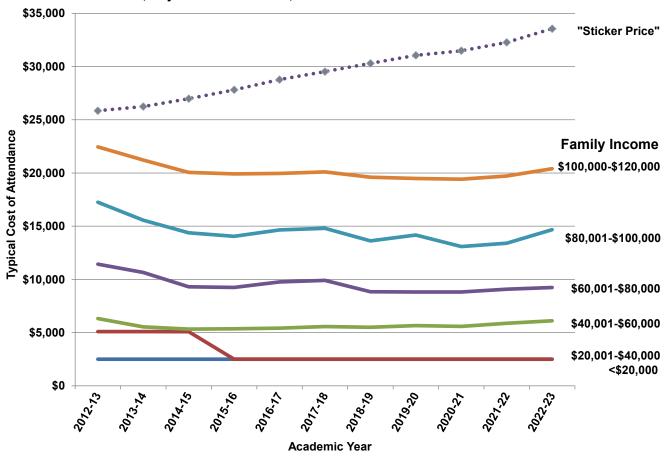
The total cost of attendance (excluding financial aid contributions) for incoming first-years is a benchmark figure that includes Regentally-approved tuition and required fees and room and board, plus reasonable estimates for the costs of books and supplies, transportation, and miscellaneous

expenses. The actual cost of attendance for individual students will vary depending on financial aid provided, transportation requirements and housing choices. The percentage above each double-headed arrow is the compound annual growth rate.

³ Based on 2022 U.S. Employment Cost Index.

A typical in-state student with a family income up to \$100,000 paid less to attend the U-M in 2022-23 than their counterparts did in 2012-13.

3.3.1 Typical Cost of Attendance⁴ for U-M In-State First-Year Undergraduates by Family Income Level, Before Merit Aid, Adjusted for Inflation⁵, Academic Year 2013-2023.



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 \$2,500 net cost for the under \$40,000 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 "Sticker Price" is the cost of attendance before taking into account any grants, loans or scholarships that may be available to reduce the out-of-pocket costs.

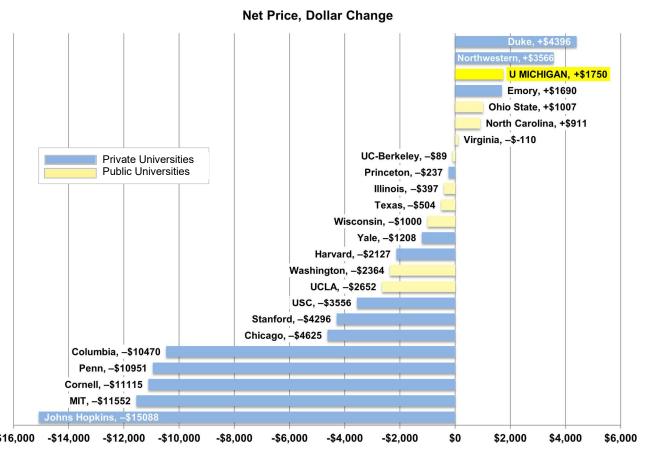
Merit-based scholarship aid is not reflected in the cost of attendance data presented here. Merit awards reduce the need to take loans or to participate in work-study as part of a student's "expected family contribution" as calculated by the Office of Financial Aid.

⁴ The calculation of typical cost of attendance includes tax credits available to families with annual incomes in the \$20,000 to \$100,000 range.

⁵ Inflation adjustment based on estimated Employment Cost Index for 2023.

The net price for U-M in-state, full-year undergraduate students who received federal financial aid increased \$1,750 between 2019 and 2021, near the top of the range compared to its peer universities.

3.3.2 Dollar Change in Net Price for First-Year Undergraduates Receiving Federal Aid at U-M and Peers Between Academic Years 2019 and 2021.

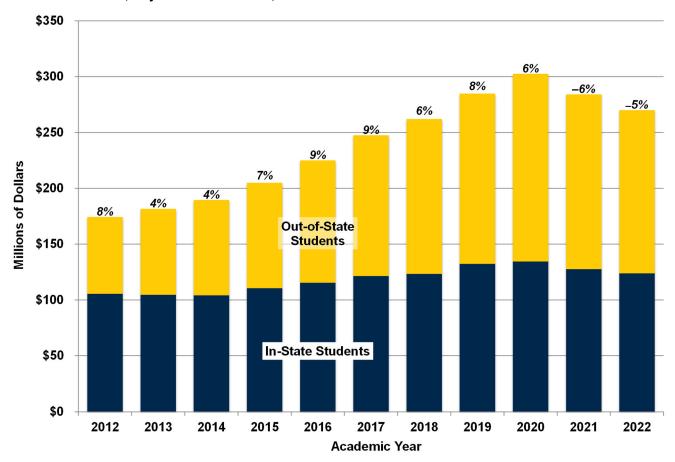


SOURCE: College Scorecard dataset, U.S. Department of Education

In AY2021, the typical net price (advertised cost minus financial aid) for U-M in-state first-year, full-time undergraduate students was \$17,086, an increase of \$1,750 compared to \$15,336 in AY2019. 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 2021-22 academic year, U-M disbursed \$340 million in grant and scholarship aid from university funds to undergraduate students, an inflation-adjusted decrease of \$14.1 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 2012-2022.



SOURCE: U-M Financial Aid Data

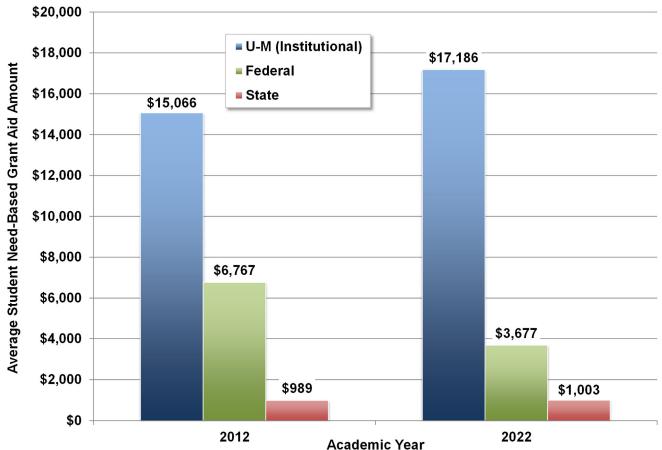
This chart shows the amount of financial aid paid to undergraduates from institutional funds as both need-based grants and merit-based scholarships. The value above each column is the percentage increase in expenditures for grant and scholarship aid from the previous year.

The decline in overall grants and scholarships provided over the past two years is attributable to the sunsetting of one U-M's undergraduate aid programs, a needed step because of declining overall revenues.

⁵ Inflation based on 2022 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.



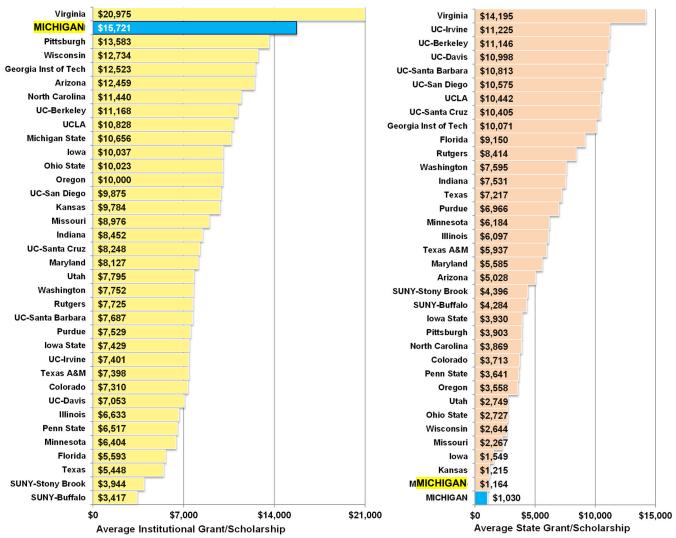
SOURCE: Integrated Postsecondary Education Data System (IPEDS)

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 <u>second-highest</u> average grant/scholarship aid from INSTITUTIONAL funds of all AAU public institutions. U-M's aid is important because corresponding state aid is <u>lowest</u> 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, AY2021.



SOURCE: Integrated Postsecondary Education Data System (IPEDS)

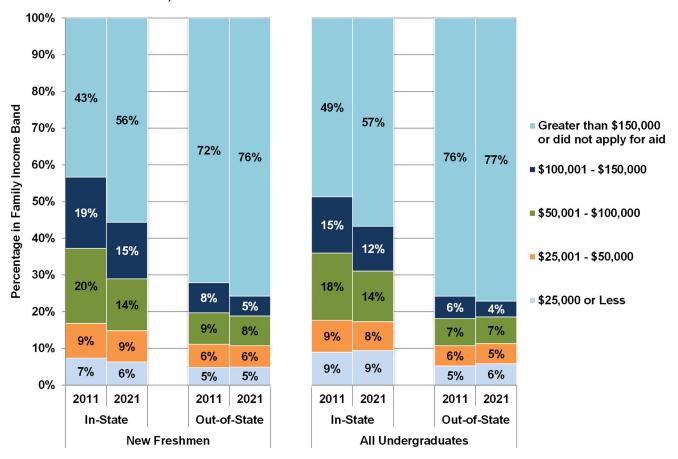
Only one AAU public university – the University of Virginia, at \$20,975 per student – offered larger average institutional grant and scholarship aid to first-year undergraduate students during academic year 2021. U-M's average institutional grant/scholarship aid to first-years was \$15,721.

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 on students who receive such aid.

Overall, the fraction of first-year undergradaute students from families with high incomes has increased for 2021 compared to 2011.

3.6.1 Family Income Distribution for First-Year and All Undergraduate Students, by In-State/ Out-of-State Status, Fall 2011 and Fall 2021.



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 2020-21 the U-M enrolled a lower percentage of students eligible for Pell Grants compared to many other AAU public universities, and similar 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, 2020-21.

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

Percent of undergraduates with Pell grants	
AAU Privates (average)	17%
AAU Publics (average, excluding U-M)	23%
The realist (area age, exertaining a my	
University of California-Irvine	38%
Stony Brook University (SUNY)	36%
University of California-Davis	34%
University of California-San Diego	33%
University of California-Santa Barbara	32%
University at Buffalo (SUNY)	32%
University of California-Santa Cruz	32%
Rutgers University-New Brunswick	29%
University of Arizona	29%
University of California-Los Angeles	28%
University of California-Berkeley	27%
University of Oregon	25%
University of Illinois at Urbana-Champaign	25%
The University of Texas at Austin	24%
Columbia University	23%
University of Florida	23%
University of North Carolina at Chapel Hill	23%
Michigan State University	22%
Princeton University	22%
University of Utah	22%
University of Missouri-Columbia	21%
University of Southern California	21%
Yale University	21%
Emory University	20%
Iowa State University	20%
Massachusetts Institute of Technology	20%
Ohio State University	20%
Texas A & M University-College Station	20%
University of Kansas	20%
University of Washington-Seattle Campus	20%
Northwestern University	19%

SOURCE: Integrated Postsecondary Education Data System (IPEDS)

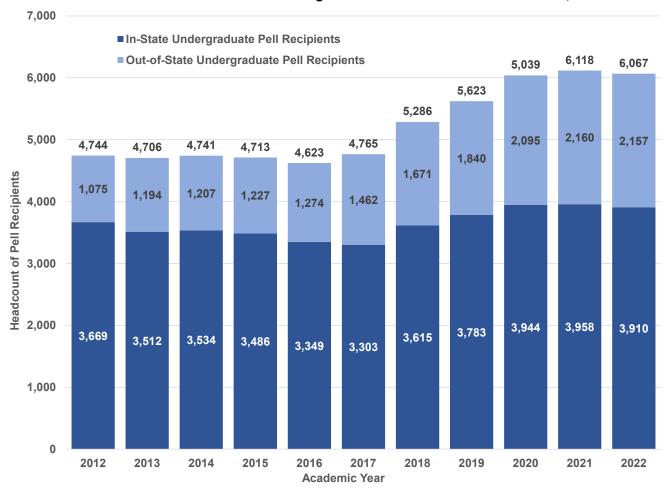
The Federal Pell Grant Program provides need-based grants to low-income undergraduate students to promote access to a college education. Pell Grants, unlike loans, do not need to be repaid. The maximum Pell Grant for the 2020-21

Devent of undergree	ductos	
Percent of undergraduates with Pell grants		
(Continued from bottom of first column)		
Stanford University	19%	
University of Iowa	19%	
Indiana University-Bloomington	18%	
New York University	18%	
University of Maryland-College Park	18%	
University of Michigan-Ann Arbor	18%	
Boston University	17%	
Cornell University	17%	
Dartmouth College	17%	
Johns Hopkins University	17%	
University of Rochester	17%	
Brandeis University	16%	
Case Western Reserve University	16%	
Rice University	16%	
University of Minnesota-Twin Cities	16%	
Vanderbilt University	16%	
Carnegie Mellon University	15%	
University of Colorado Boulder	15%	
Purdue University	15%	
University of Wisconsin-Madison	15%	
Brown University	14%	
University of Pennsylvania	14%	
University of Virginia	14%	
Washington University in St Louis	14%	
Duke University	13%	
Georgia Institute of Technology	13%	
Harvard University	13%	
University of Pittsburgh	13%	
California Institute of Technology	12%	
Tufts University	12%	
University of Chicago	12%	
Tulane University	10%	

academic year was \$6,195, 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 2021-22 compared to a decade prior.

3.6.3 Number of In-State/Out-of-State U-M Undergraduate Students Awarded Pell Grants, 2012-2022.



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.

Sixty-nine percent of in-state undergraduate students received some kind of financial aid, and 40 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, 2021-22.

Aid Type	In-State ⁸ <i>(16,905)</i> ⁹	Out-of-State ⁸ (15,3772) ⁹
Need-based Grant Aid	6,826 (40%)	3,870 (25%)
Merit-based Scholarship Aid	8,660 (51%)	4,363 (28%)
Work-Study	1,431 (8%)	820 (5%)
Loans	5,189 (31%)	3,749 (24%)
Any Type of Aid	11,697 (69%)	7,281 (47%)

3.6.5 Total Financial Aid Expenditures and Average Expenditure per Student, 2020-21.

Aid Awarded	In-State ¹⁰	Out-of-State ¹⁰
Total Aid Expenditures from all Sources	\$214,546,715	\$261,904,057
Average Total Aid Expended per Student Receiving Any Type of Aid ¹⁰	\$18,342	\$35,971

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.

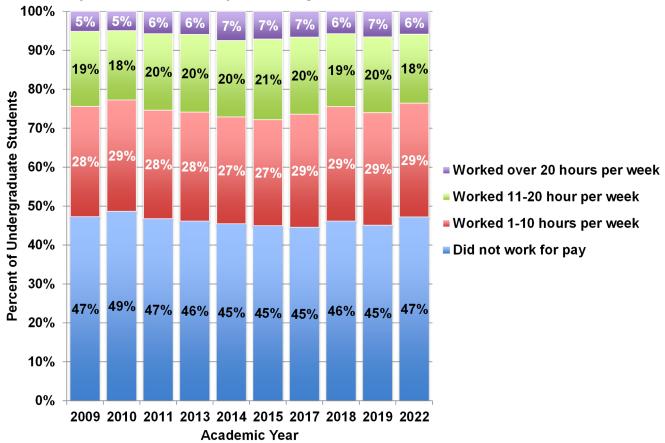
⁸ Tuition residency status

⁹ Fall 2021 enrollment

¹⁰ Average based on students who receiv ed 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, 2009-2022.



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 2022 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, 2021-22.

	2021-22 Graduating	In-State ¹¹	Out-of-State ¹¹
	Class (7,967) ¹²	(4,288) ¹²	(3,679) ¹²
Average Loan Burden	\$27,437	\$23,883	\$32,857
Number of Graduates with Loans	2,762	1,668	1,094
Percent of Graduates with Loans	35%	39%	30%
	of all	of in-state	of out-of-state
	undergraduates	graduates	graduates

SOURCE: U-M Financial Aid Data

Thirty-five percent of the 2021-22 undergraduate class graduated with debt. The average loan burden for in-state student graduates was \$23,883 and for out-of-state students was \$32,857. Compared to the previous year's graduating class, the average debt burden at graduation increased by \$1,132 for in-state students and by \$1,361 for out-of-state students. The number and percentage of in-state students with loan debt at graduation declined by 183 (-2%) compared to the previous year.

In interpreting loan burden figures, it is important to distinguish between "packaged" loans and "supplemental" loans. Students who apply for financial aid at U-M are automatically considered for low-interest federal loans, which are awarded as part of financial aid packages. Supplemental loans, which are offered both by the federal government and private lenders, are available to all students, regardless of whether they are eligible for financial aid.

¹¹ Tuition residency status

¹² Headcounts from 2021-22 graduating class