

# Tuition and Financial Aid: Nine Points for Boards to Consider in Keeping College Affordable

Questions Boards Should Ask from the Association of Governing Boards of Universities and Colleges (AGB)<sup>1</sup>

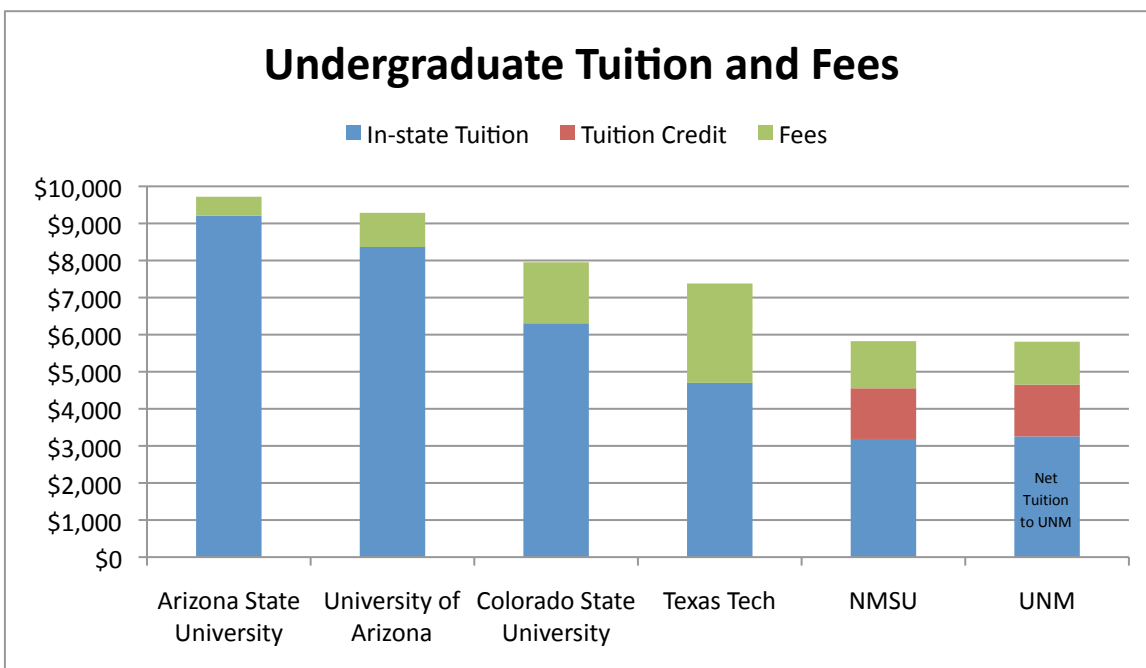
## 1. How do tuition and fees at your institution compare to the national average for your sector?

In 2011-12, public four-year colleges charge, on average, tuition and fees for in-state undergraduate students:

\$8,244  
UNM = \$5,809

Source: College Board

## 2. What is the regional comparison?

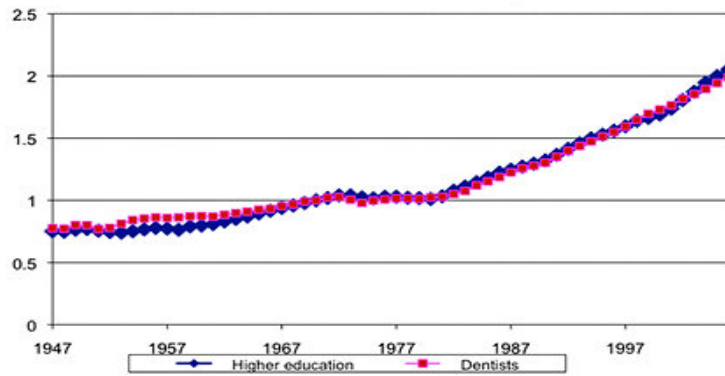


## 3. How fast have tuition and fees gone up in recent years?

	UNM Total Tuition and Fees 2007-2012 Compounded Growth Rate	20 Peer Institution Average Total Tuition and Fees 2007-2012 Compounded Growth Rate Net to the University	UNM Net Total Tuition and Fees 2007-2012 Compounded Growth Rate Net to UNM (i.e. minus tuition credit)
Current Tuition and Fees	\$5,809	\$7,923	\$4,084
Annual Compounded Growth Rate of New Mexico Personal Income 2005-2010			3.10%

This is an example of a cost increase comparison of higher education and another service industry requiring highly trained labor and little capacity to gain production efficiency due to technological advances.

Comparison of Cost of Higher Education and Dentistry Services 1947-2006 <sup>2</sup>



**4. How have non-tuition revenues changed in recent years?**

fy09 State Appropriation*	fy12 State Appropriation*	
\$212,214,100	\$168,630,600	Change 2009 to 2012 = -20.50%
		Annual Compounded Rate of Decrease = -5.6%

\*Main Campus

**5. How many students at your institution pay the full cost without a discount?**

Undergrads Receiving Grant Aid	% Paying Sticker Price
78%	22%

This does not include loans or other aid.

**6. How does your institution’s tuition compare to the tuition of institutions with which you compete for students?**

See #2 as the regional schools are also the greatest competitors

**7. When you raise your tuition, how much new net revenue is generated?**

Approximately \$1,100,000 per 1% increase gross tuition revenue, reduced by a little over 30% from the cumulative tuition credit, = \$750,000 net to UNM

**8. What percentage of your students receives institutional (UNM) grants?**

54% of first time, full time undergraduate students – institutional grants constitute less than 20% of total grant aid

**9. What is the average grant received by students on financial aid at your institution?**

\$5,318 for first time, full time students on an annual basis, net price = \$9,903

\$8,595 for all undergraduates on an annual basis, net price = \$11,254

These are grants only.

**10. How fast have the numbers been increasing in recent years?**

10% on overall grants, flat on institutional grants

**11. How does the path of net tuition revenues over the past few years compare to the path of gross tuition revenues at your institution?**

Cost to the student has increased 6% per year but net to UNM has been 3.3% per year.

**12. When you raise your tuition by \$100, how much of that extra tuition increases your net revenues, and how much gets spent as additional financial aid?**

\$68 net revenue due to the 32% tuition credit – Currently, there is not a fixed level budgeted for financial aid. However, proposed in the 2013 budget is 20% of any tuition increase dedicated to financial aid.

A \$100 tuition increase would be 2.2% and equal approx. \$2,420,000 in gross revenue. \$774,000 is the cumulative tuition credit. The net revenue would be \$1,646,000.

**13. How much of the financial aid at your institution is allocated on the basis of financial need and how much is allocated on the basis of academic, athletic, or other characteristics?**

Institutional aid (UNM)= 25% to need and 75% to merit. Institutional aid constitutes less than 20% of all grants. Total grant aid = 58% to need and 42% to merit.

**14. How many of your students borrow to help finance their education?**

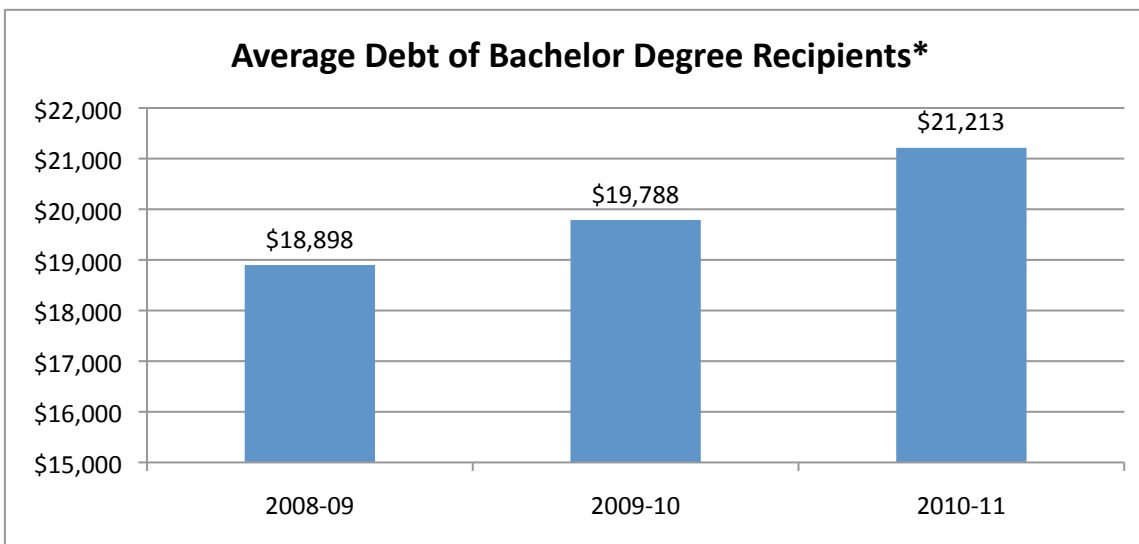
29% of full-time first-time freshmen borrow (3rd lowest among selected peers)

35% of all undergraduates borrow (4th lowest among selected peers)

49% of bachelor degrees have student loan debt

**15. What is the average debt level at graduation?**

2008-09	\$18,898
2009-10	\$19,788
2010-11	\$21,213



\*This average includes ONLY those graduates who borrowed. 49% of bachelor degrees in 2008 thru 2011 had student loan debt.

<sup>1</sup>Complete publication available at: [http://agb.org/sites/agb.org/files/report\\_2011\\_tuition\\_and\\_financial\\_aid.pdf](http://agb.org/sites/agb.org/files/report_2011_tuition_and_financial_aid.pdf)

<sup>2</sup>Archibald, Robert & Feldman, David (2010). *Why Does College Cost So Much?* Oxford University Press

Sources unless otherwise cited: institutional data and National Center for Education Statistics