

Contact: Jason Pontius

ANNUAL STUDENT FINANCIAL AID REPORT

Action Requested: Receive the Annual Student Financial Aid report for 2018

Executive Summary: This annual report details trends in student financial aid awarded at the Regent universities. Financial aid, in the form of grants, scholarships, campus employment, and loans is available to all eligible Regent university students. In 2016-17, the total amount of financial aid awarded to students (both undergraduate and graduate students) was \$1.09 billion, up +5.2% from last year’s total of \$1.03 billion.

Financial aid comes from four primary sources:

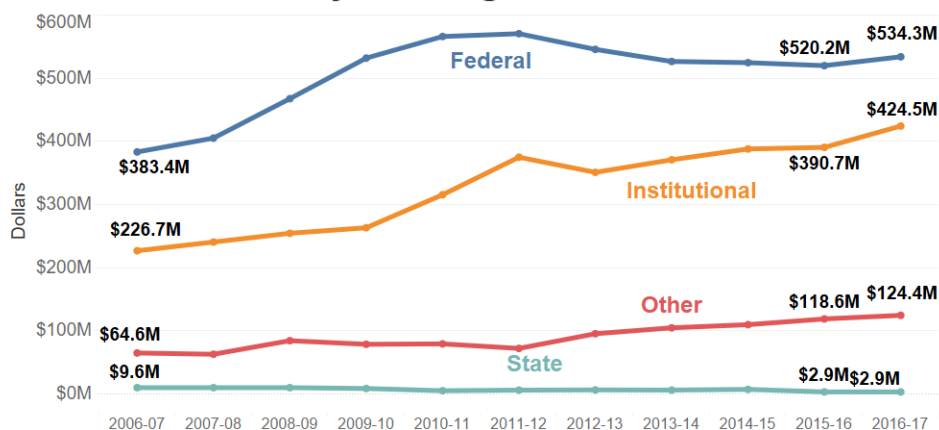
- Federal government (U.S. Department of Education)
- Institutions (Regent university financial aid distributed by the offices of student financial aid, academic colleges, and university foundations)
- State of Iowa
- Other (private organizations, foundations, and companies)

Note: The financial aid amounts provided in this report may differ slightly from previous Student Financial Aid reports. For this year and going forward, the financial aid definitions used were updated to reflect national Common Data Set and IPEDS financial aid reporting standards.

All Student Financial Aid (Undergraduate and Graduate)

Despite increases in student enrollment at the Regents, over the past seven years, federal financial aid for the Regent universities has leveled off while state-supported financial aid has remained low. Financial aid provided by the universities and private groups (marked as “Institutional” and “Other”, respectively on the graph below) has increased to fill the gap.

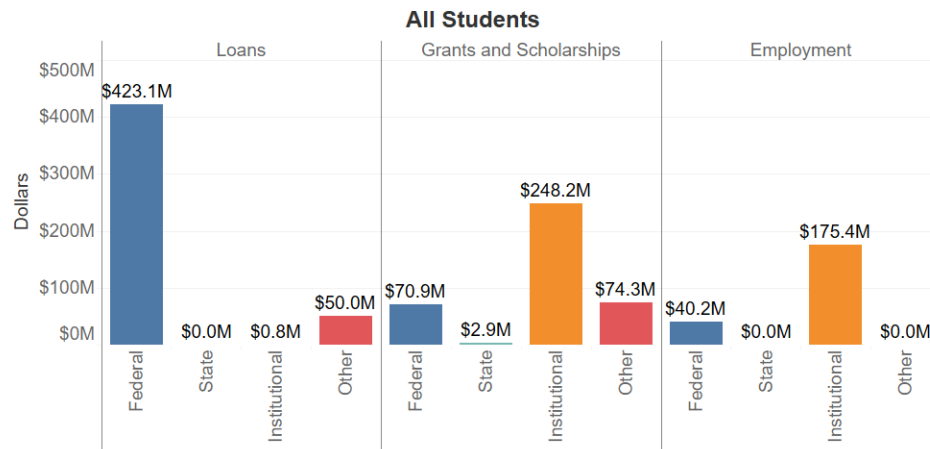
**Total Student Financial Aid at Regent Universities
by Funding Source**



Source: Iowa College Student Aid Commission
Institutional Aid = aid from academic colleges, foundations, and financial aid offices

As shown in the graph below, the federal government provides the vast majority of student loans. Unlike loans, these grants, scholarships, and campus employment opportunities do not need to be repaid. The Regent universities support the vast majority of these opportunities to students. The majority (57%) of the institutional employment provided is for graduate student assistantships.

**Regent University Student Financial Aid
by Type & Funding Source 2016-17**

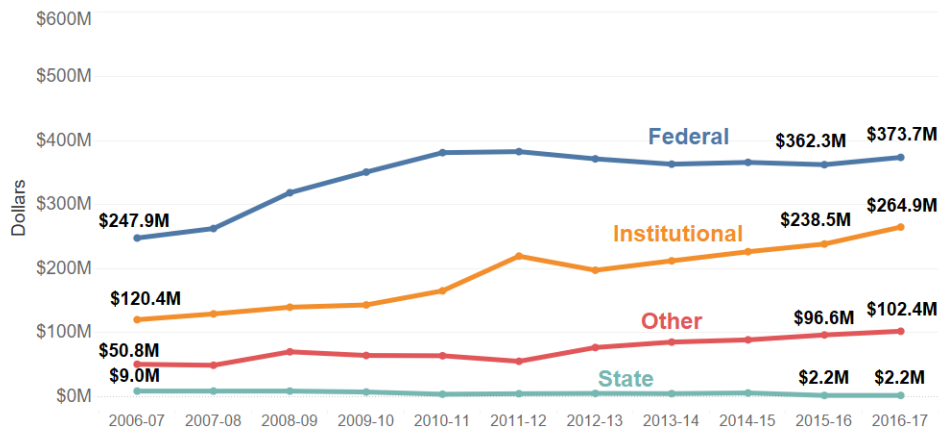


Source: Iowa College Student Aid Commission

Undergraduates

Student financial aid for undergraduates comprises about two-thirds of all financial aid for Regent university students. The graph below shows that undergraduate financial aid trends are similar to those seen for total student financial aid. Federal financial aid dollars have leveled off with increases in aid from both institutional and other sources.

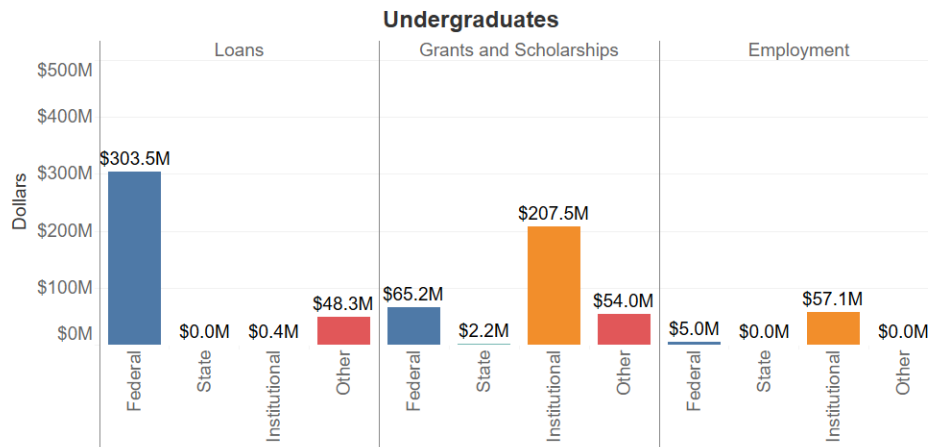
**Undergraduate Financial Aid at Regent Universities by
Funding Source**



Source: Iowa College Student Aid Commission
Institutional Aid = aid from academic colleges, foundations, and financial aid offices

Of the total \$423.1 million of federal loans taken out by Regent university students, undergraduates use \$303.5 million or 72%. Undergraduates use 84% (\$207 million) of the available institutional grants, but only 33% (\$57.1 million) of institutional employment funding. Institutional employment for undergraduates is largely available through college work-study programs.

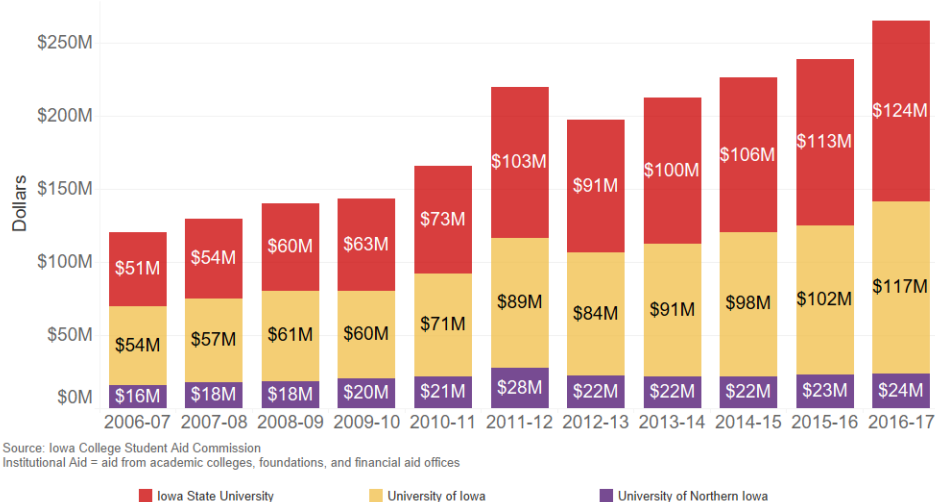
**Regent University Student Financial Aid
by Type & Funding Source 2016-17**



Source: Iowa College Student Aid Commission

As part of their mission to make a university education as affordable as possible, the Regent universities have continued to provide increasing amounts of institutional financial aid, particularly to undergraduate students (see graph below for institutional aid by university).

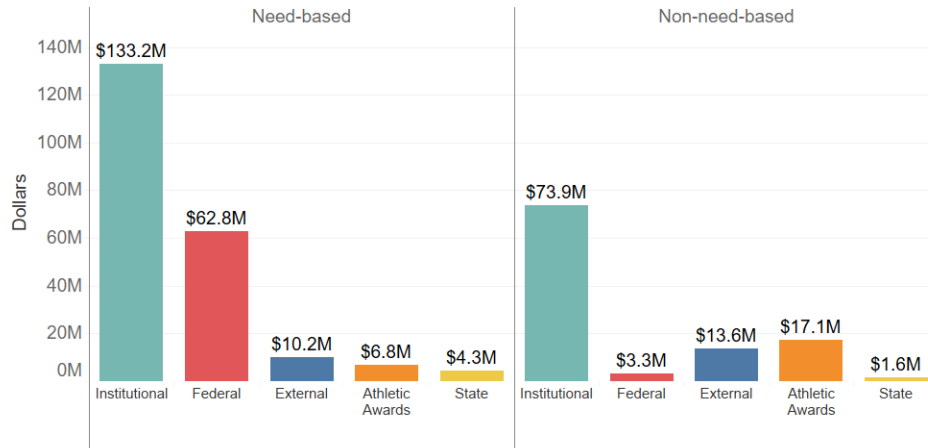
Undergraduate Institutional Aid by Regent University



Source: Iowa College Student Aid Commission
Institutional Aid = aid from academic colleges, foundations, and financial aid offices

Institutional aid is the largest single source of scholarships and grants. Most of these institutional funds (64%) are reserved for students with demonstrated financial need (see graph below).

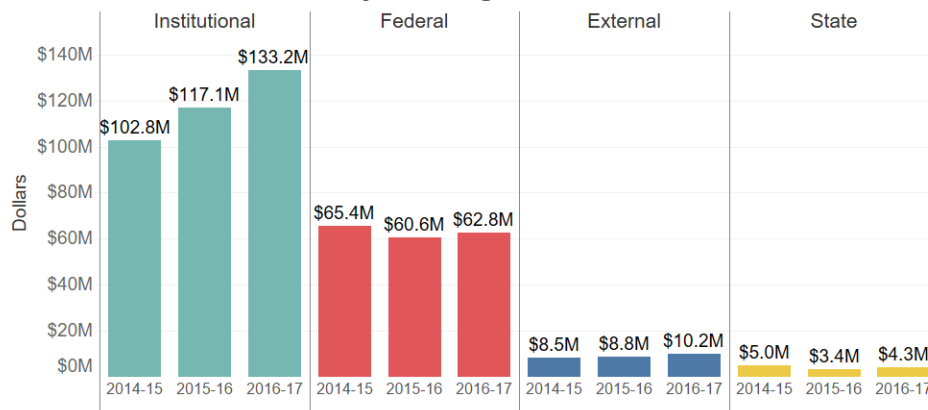
Scholarships & Grants for Regent Undergraduates by Funding Source (2016-17)



Source: Regent university Student Financial Aid Office data using Common Dataset and IPEDS data definitions

As shown below, most of the growth in available need-based scholarships and grants to undergraduate students has happened at the institutional level. External sourced need-based scholarships have also shown growth but at amounts significantly less than those provided by the Regents.

Need-Based Scholarships & Grants for Regent Undergraduates by Funding Source



Source: Regent university Student Financial Aid Office data using Common Dataset and IPEDS data definitions

The table below provides amounts of student financial aid aggregated by type of aid, residency status, demonstrated need of the students, Regent university attended, and year.

Degree-Seeking Undergraduate Financial Aid at Regent Universities

			ISU			SUI			UNI		
			2014-15	2015-16	2016-17	2014-15	2015-16	2016-17	2014-15	2015-16	2016-17
Institutional	Need-based	Resident	\$24.4M	\$26.3M	\$28.1M	\$14.6M	\$17.2M	\$22.2M	\$8.5M	\$9.2M	\$10.3M
		Non-resident	\$34.3M	\$35.3M	\$39.1M	\$19.4M	\$27.6M	\$32.0M	\$1.6M	\$1.6M	\$1.5M
	Non-need-based	Resident	\$7.5M	\$10.2M	\$12.3M	\$12.7M	\$14.4M	\$18.2M	\$1.9M	\$2.0M	\$2.0M
		Non-resident	\$20.3M	\$21.7M	\$24.2M	\$29.6M	\$23.8M	\$16.9M	\$0.3M	\$0.2M	\$0.3M
State	Need-based	Resident	\$1.4M	\$1.3M	\$1.6M	\$1.8M	\$1.2M	\$1.5M	\$1.8M	\$1.0M	\$1.2M
		Non-resident	\$0.0M	\$0.0M	\$0.0M	\$0.0M	\$0.0M	\$0.0M	\$0.0M	\$0.0M	\$0.0M
	Non-need-based	Resident	\$0.5M	\$0.5M	\$0.7M	\$0.6M	\$0.4M	\$0.6M	\$0.3M	\$0.1M	\$0.2M
		Non-resident	\$0.0M	\$0.0M	\$0.0M	\$0.0M	\$0.0M	\$0.0M	\$0.0M	\$0.0M	\$0.0M
Total Loans & CWS	Need-based	Resident	\$53.0M	\$51.8M	\$49.5M	\$27.9M	\$37.1M	\$40.8M	\$18.4M	\$18.3M	\$17.7M
		Non-resident	\$23.2M	\$22.9M	\$26.2M	\$22.2M	\$27.7M	\$26.8M	\$1.2M	\$1.3M	\$1.2M
	Non-need-based	Resident	\$33.0M	\$34.4M	\$34.0M	\$31.8M	\$19.0M	\$21.6M	\$23.8M	\$23.6M	\$24.7M
		Non-resident	\$17.2M	\$18.5M	\$21.4M	\$15.7M	\$9.8M	\$8.6M	\$1.8M	\$1.8M	\$1.9M
Parent Loans	Need-based	Resident	\$2.7M	\$2.8M	\$3.1M	\$0.0M	\$3.5M	\$2.4M	\$0.0M	\$0.0M	\$0.0M
		Non-resident	\$5.0M	\$5.0M	\$6.0M	\$0.0M	\$14.1M	\$8.4M	\$0.0M	\$0.0M	\$0.0M
	Non-need-based	Resident	\$12.8M	\$12.5M	\$12.0M	\$12.8M	\$9.3M	\$8.7M	\$9.9M	\$10.0M	\$10.3M
		Non-resident	\$12.1M	\$12.0M	\$13.5M	\$31.6M	\$17.2M	\$12.5M	\$1.2M	\$1.3M	\$1.8M
Athletic Awards	Need-based	Resident	\$0.4M	\$0.4M	\$0.3M	\$0.0M	\$0.0M	\$0.0M	\$1.0M	\$1.2M	\$1.4M
		Non-resident	\$2.4M	\$2.8M	\$3.0M	\$0.0M	\$0.0M	\$0.0M	\$1.9M	\$1.9M	\$2.0M
	Non-need-based	Resident	\$0.5M	\$0.7M	\$0.8M	\$1.3M	\$1.5M	\$2.1M	\$0.3M	\$0.3M	\$0.2M
		Non-resident	\$3.7M	\$3.8M	\$4.1M	\$10.0M	\$10.0M	\$9.9M	\$0.2M	\$0.1M	\$0.2M
Grand Total			\$254.3M	\$262.9M	\$279.9M	\$231.9M	\$233.7M	\$233.2M	\$73.9M	\$74.0M	\$77.0M

Source: Regent university Student Financial Aid Office data using Common Dataset and IPEDS data definitions

The next table shows the percent of undergraduates who completed a financial aid application or FAFSA, the percent determined to have financial need, and the percent of that need met by the university. A greater proportion of Iowa resident students at UNI have demonstrated financial need than Iowa resident students at ISU and the University of Iowa.

**Undergraduates with Financial Need and Met Need
by Residency & Regent University**

		2014-15		2015-16		2016-17	
		Iowa Resident	Non-Resident	Iowa Resident	Non-Resident	Iowa Resident	Non-Resident
ISU	Student Count	17,463	9,745	18,047	10,026	17,735	11,055
	Completed FAFSA	83.7%	63.9%	83.5%	63.7%	82.0%	63.9%
	Percent with Financial Need	56.3%	43.0%	54.4%	42.3%	53.6%	42.2%
	Percent Need Met	78.0%	83.0%	78.0%	83.0%	78.0%	82.0%
SUI	Student Count	10,454	8,934	10,822	8,910	12,010	8,685
	Completed FAFSA	77.8%	50.9%	77.2%	51.8%	76.5%	50.2%
	Percent with Financial Need	55.7%	38.0%	54.6%	39.2%	51.1%	41.8%
	Percent Need Met	72.0%	64.0%	70.0%	64.0%	71.0%	62.0%
UNI	Student Count	8,223	843	8,241	886	8,274	845
	Completed FAFSA	80.4%	48.9%	79.9%	44.1%	79.2%	45.9%
	Percent with Financial Need	61.8%	40.6%	61.8%	38.4%	62.0%	38.0%
	Percent Need Met	68.0%	67.0%	67.0%	65.0%	66.0%	61.0%

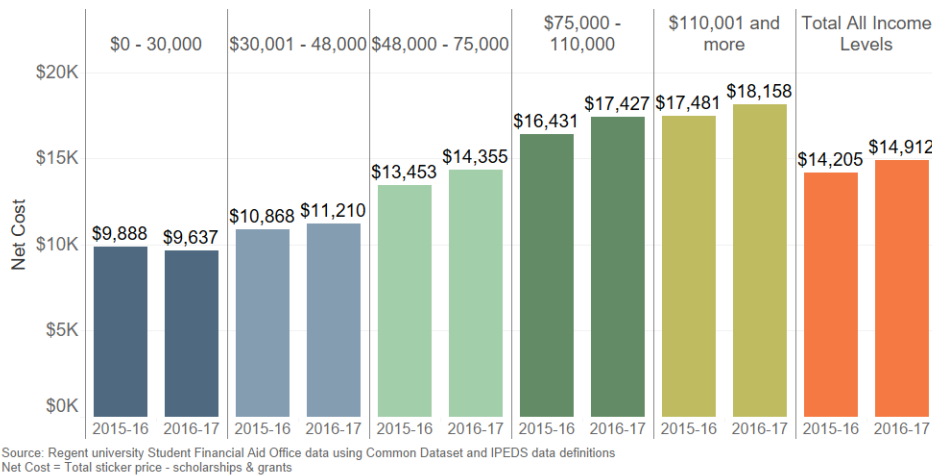
Source: Regent university Student Financial Aid Office data using Common Dataset and IPEDS data definitions

Net Cost

Net cost or net price is calculated by subtracting the average amount of grants and scholarships from the total sticker price of attending a university. Net cost is generally a more accurate approximation of how much a student pays for college.

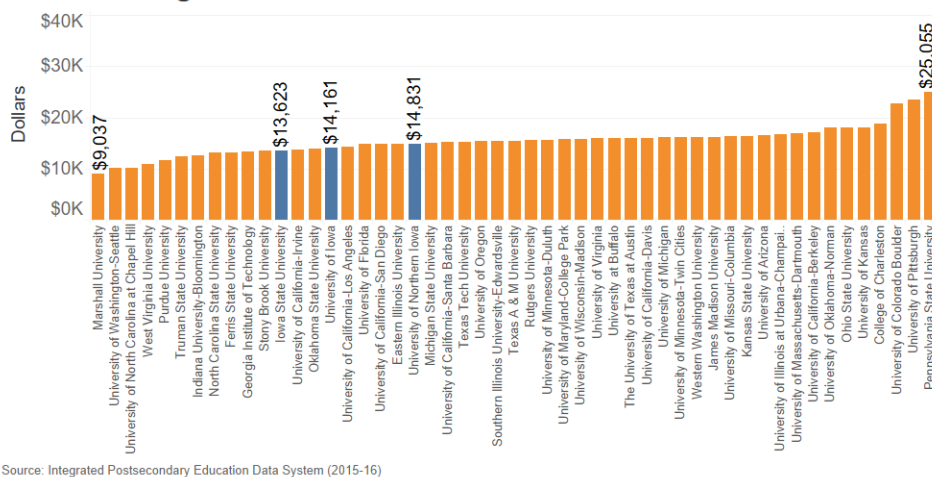
Regent university students with the greatest financial need receive the most financial aid. This results in differences in net cost by family income (as shown in the graph below). For example, a student from a family with an adjusted gross income of \$30,000 or less, has a net cost of almost half that of a student from a family with an income of greater than \$110,000.

**Net Cost per Year of Attending a Regent University
by Adjusted Gross Income**

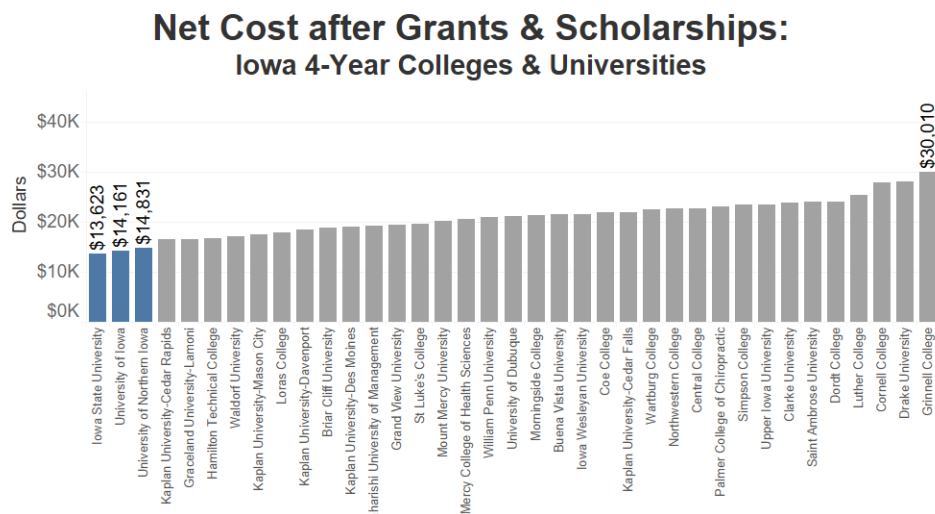


The graph below compares the net cost of attending one of the three Regent universities with the net costs at our public university peers and public AAU institutions.

**Net Cost after Grants & Scholarships:
Regents vs. Public Peer & Public AAU Institutions**



As an additional point of comparison, the Regent universities have the lowest net cost of four-year colleges and universities in Iowa (see graph below).



Source: Integrated Postsecondary Education Data System (2015-16)

Debt

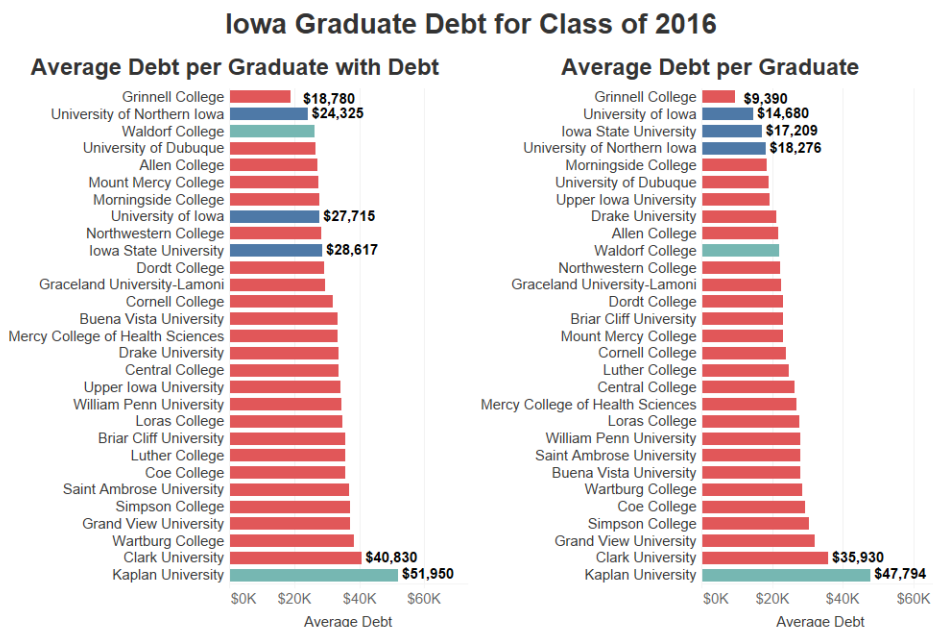
The table below shows the average amount of debt for students who graduate with debt. Graduate debt for Iowa resident students at the Regent universities dropped -3.0% from last year. It is important to note that among Iowa resident graduates, 35.4% from Iowa State University, 41.1% from the University of Iowa, and 28.2% from University of Northern Iowa graduated with no debt.

Average Debt for Undergraduates Who Graduated with Debt

		2014-15	2015-16	2016-17
ISU	Iowa Resident Debt	\$26,113	\$27,363	\$26,546
	Percent of Iowa Residents Who Borrow	70.2%	64.2%	64.6%
	Non-Resident Debt	\$30,942	\$31,394	\$30,105
	Percent of Non-Residents Who Borrow	52.1%	52.8%	50.2%
SUI	Iowa Resident Debt	\$26,840	\$26,715	\$25,599
	Percent of Iowa Residents Who Borrow	63.0%	62.1%	58.9%
	Non-Resident Debt	\$31,196	\$29,451	\$32,908
	Percent of Non-Residents Who Borrow	41.4%	42.9%	38.9%
UNI	Iowa Resident Debt	\$23,352	\$24,093	\$23,712
	Percent of Iowa Residents Who Borrow	74.2%	70.6%	71.8%
	Non-Resident Debt	\$22,743	\$28,197	\$27,228
	Percent of Non-Residents Who Borrow	52.5%	47.7%	33.1%

Source: Regent university Student Financial Aid Office data using Common Dataset and IPEDS data definitions

Graduate debt at the Regent universities compares favorably to debt at other Iowa four-year colleges and universities (see graph below). The left side of the graph shows the average debt for each student who graduates with debt. The right side shows the average debt for all students who graduated. The average debt for all students is much lower for the Regent universities because a relatively high percent of our students graduate with no debt.



Source: Iowa College Student Aid Commission

Student Debt Default Rates

The Higher Education Opportunity Act of 2009 created a new calculation to determine what percent of college and university graduates defaulted on their student loan by three years after graduation. According to the U.S. Department of Education, the Regent university debt default rate for the graduate cohort of 2014 compares favorably both within the state of Iowa and nationally (see below).

- University of Iowa: 2.7%
- Iowa State University: 2.9%
- University of Northern Iowa: 3.5%
- U.S. 4-year public universities: 7.5%
- U.S. average: 11.5%
- State of Iowa average: 12.6%
- Iowa community colleges: 18.3%
- Iowa Private for-profit 4-year colleges: 14.6%
- Iowa Private for-profit 2-year colleges: 14.0%
- Iowa Private 4-year colleges and universities: 6.0%

Trends/Issues.

- Increases in the Pell Grant program have not kept pace with tuition increases. In 2006-07, the maximum Pell Grant covered 70.0% of average public four-year tuition and fees; in 2016-17, it covered only 60.0%.¹ In March 2018, Congress increased the maximum Pell Grant by \$175.
- The Iowa Grant Program was the only need-based state program for public universities but the Iowa Legislature eliminated it in 2015.²
- Loans continue to play a major role in the student financial aid packages of Regent university students. However, studies have shown that loans typically do not promote college enrollment; loans influence a student's choice of college especially when income and race/ethnicity are considered.³ A 2013 study found that "each additional \$1,000 in unsubsidized federal loans makes low-income student 5.66% less likely to graduate in six years."⁴
- Students with the highest levels of perceived debt are three times more likely to leave college before earning a degree. Conversely, students with the highest amounts of actual debt are less likely to leave college. Perception of debt and the resulting financial stress appear to influence students' decision to leave college.⁵
- Loss of funding for the Iowa Work-Study Program⁶ continues to limit the opportunities for on-campus student employment. This is contrary to research that has shown that students who work on-campus have higher retention and persistence rates than students who work off-campus. The Iowa Work-Study Program has not been funded since FY 2010.
 - In 2015-16, approximately 85% of Iowa need-based state grants were awarded to students attending private, not-for-profit and private, for-profit institutions which makes Iowa unique among the other states.⁷
 - Although the maximum Pell Grant is the most frequently cited grant program, only about 27% of recipients currently qualify for the maximum.⁸ In 2016-17 the average Pell Grant recipient was granted \$3,740.

¹ Trends in Student Aid 2017, College Board.

² Iowa Student Aid Commission 2016

³ "A Research Agenda for Study of Indebtedness and College Enrollment," Project on Student Debt 2013.

⁴ AERA Paper, Ray Franke, April 2014.

⁵ Student Loans, Financial Stress, and College Student Tuition, Britt et. Al, 2017

⁶ Approximately \$2 million was appropriated each year prior to 2001-02. Between 2001-02 and 2004-05, \$0 was appropriated for state work-study; no state work-study funds have been appropriated since 2008-09 other than \$3,000 in 2009-10.

⁷ NASSGAP, 2015-16.

⁸ Trends in Student Aid 2017, College Board.