University of Missouri System
Undergraduate Financial Aid Summary Report
FY2007-FY2011
(Missouri Resident Undergraduates)

Executive Summary

The *Undergraduate Financial Aid Summary Report* includes undergraduate financial aid distribution patterns for the University of Missouri System and the four campuses from fiscal year 2006-07 (FY07) through fiscal year 2010-11 (FY11). In the first part of this report nine questions are addressed at the UM System level:

1. How many students received aid and what type of aid was received?
2. Has grant aid kept pace with increases in tuition and required fees?

- The number of institutional grants awarded based on need declined from 5,336 in FY07 to 3,173 in FY11. During the same time period there has been a substantial increase in the number of merit awards given to students both with and without need (Table 1.1).

- Missouri resident undergraduate students in the lower income categories have the highest grant aid as a percentage of tuition and required fees (Table 1.2).

- The volume of Parent Loans for Undergraduate Students (PLUS loans) increased from FY07 to FY11 for both students with and without financial need. In FY07, 3,414 parents borrowed an average $8,939 to meet their child's education expenses. Five years later, 4,041 parents borrowed approximately $9,929 to cover these expenses. System-wide, the amount of PLUS loans distributed increased from $30.5 million in FY07 to $40.1 million in FY11 (Table 1.4).

- Students with incomes less than $40,000 have the highest amount of financial need and receive larger total financial aid awards than higher income students. However, lower income students continue to have the largest amount of unmet financial need (Figure 1.4).

- The unmet financial need of students increased in all income levels over the past five years (Figure 1.5).

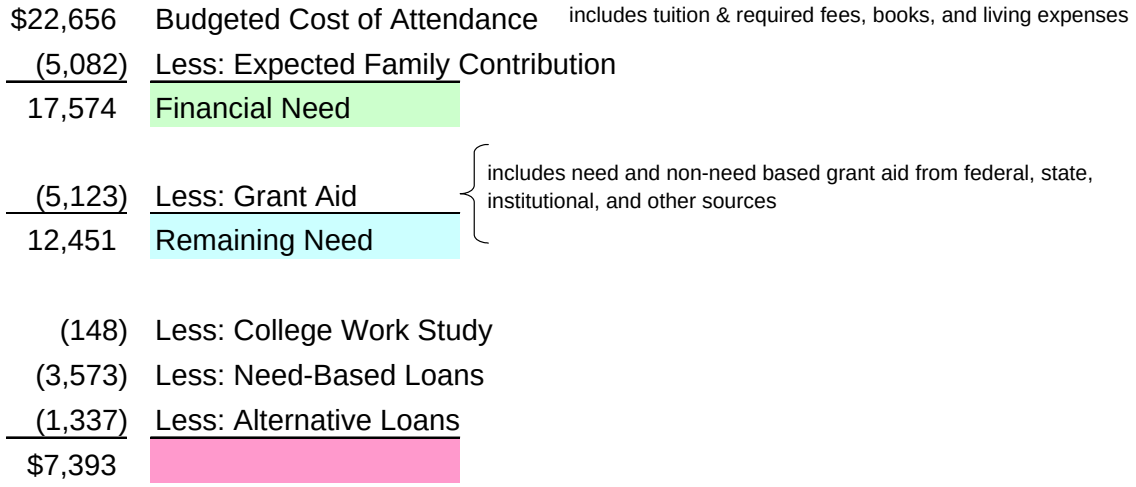
Campus-specific variations from System trends: EMC P MCID 16 > Sys16 T22rw -1 173a 2 ount of unr

The contextual basis of financial aid distribution

Less than 20% of undergraduates attending the University of Missouri pay the entire cost of attendance out-of-pocket. The majority of students receive some type of financial assistance to attend the University in the form of grants, scholarships, work study or loans. In addition, financial assistance comes from a wide variety of sources including the state and federal governments, profit and non-profit organizations, and the University (institutional gift aid). In addition, a significant amount of financial aid that is distributed is based on financial need (i.e. it is documented that the student's family cannot afford the entire cost of attendance). A student must complete a Free Application for Federal Student Aid (FAFSA) in order to determine the extent of financial need and the type and amount of aid based on need that can be awarded.

Many of the tables and figures throughout this report reference terms such as budgeted cost of attendance, financial need, grant aid, and unmet need. Assuming that a student has completed a FAFSA, Figure A.1 is provided to give an overview of how a student's financial aid package is determined.

Figure A.1
Example of How Financial Need is Determined and Aid is Distributed



Foremost, a BUDGETED COST OF ATTENDANCE (COA) is determined for every student that completes a FAFSA. The COA varies by student and is based on factors such as residency status, load status (full or part-time), and living arrangements (on or off-campus). Next the amount that the family is expected to contribute to cover the COA is determined based on several factors, including the family's adjusted gross income. A student's financial need is determined by subtracting the EXPECTED FAMILY CONTRIBUTION from the budgeted COA. If the calculated value of FINANCIAL NEED is positive, the student is eligible to receive need-based assistance such as pell grants, college work study and need based loans. A student's REMAINING NEED is determined after subtracting GRANT AID (aid that does not have to be repaid) from the FINANCIAL NEED. After subtracting the remaining sources of financial aid (i.e. work study, need-based loans, and alternative loans), an UNMET NEED value is determined, which is the remaining amount of money a student needs to meet the COA after all financial assistance has been provided.

Caveats

Although Figure A.1 provides a good example of how financial aid packages are determined for students, a few caveats are worth mentioning:

1. The unmet need value is based on all of the financial aid that a student ACCEPTED which does not always equal the amount of aid a student was OFFERED. For example, a student might decline a need-based loan or alternative loan which would have covered the student's remaining cost of attendance. That student would have unmet financial need even though ample aid was offered to meet the budgeted COA.

2. A student's financial need might change during the academic year based on changes to the student's budgeted COA. For example, a student might live on-campus the first semester and decide to live off-campus the next semester.

3. Many students take part-time jobs to meet the COA. However, the compensation received from part-time jobs (other than college work study) is not documented and does not count towards meeting the COA. In essence, many students work to meet the COA and for these students the true unmet need is unknown.

4. Many families borrow the "expected family contribution" and the amount borrowed is not factored into the total financial aid package, i.e. it is not counted as financial aid. Therefore, in many cases, the true financial need of a student is underestimated.