CORNELL’S FINANCIAL AID POLICIES
UNIMAGINABLE OUTCOMES?

OCTOBER 21, 2015
FACULTY FORUM

Cornell’s Financial Aid Policies: Unimaginable Outcomes

700 Clark Hall
4:30-6 PM; Reception follows
October 21, 2015

Joe Burns, Dean of University Faculty, moderator

Paul Streeter, Vice President for Budget & Planning

Barbara Knuth, Sr Vice Provost (Admissions & Financial Aid)

Suzanne Mettler, Government, Author of “Degrees of Inequality: How Higher Education Politics Sabotaged the American Dream”

Ronald Ehrenberg, ILR and Economics, Author of “Tuition Rising: Why Higher Education Costs So Much”

Barton Winokur, Trustee (Cornell, Harvard Law, Brandeis), Dechert LLP
University wide commitment to financial aid remains strong

Financial Aid Expense

Source: University annual report – Statement of Activities + notes
Median Cost After Grant from all Sources, Endowed Sector
Inflation-adjusted Dollars

Cornell Policy Income Thresholds

<$60k $60-75k $75-120k $120k+ Not Aided

Shaded areas approximate U.S. recessions
Vertical lines indicate changes to aid policy
FY16 Estimates based on Fall in-year forecast
Undergraduate Tuition

Billed Tuition (in Thousands)

- Undergraduate Tuition
- Unrestricted Fin Aid
- Additional Investment
- Withdrawal ($35M/Yr)
- Restricted Financial Aid
- Tuition Paid By Student
<table>
<thead>
<tr>
<th>Year</th>
<th>Grant Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>2015-16*</td>
<td>$238 Million</td>
</tr>
<tr>
<td>2014-15</td>
<td>$238 Million</td>
</tr>
<tr>
<td>2013-14</td>
<td>$235 Million</td>
</tr>
<tr>
<td>2012-13</td>
<td>$240 Million</td>
</tr>
<tr>
<td>2011-12</td>
<td>$226 Million</td>
</tr>
<tr>
<td>2010-11</td>
<td>$204 Million</td>
</tr>
<tr>
<td>2009-10</td>
<td>$179 Million</td>
</tr>
</tbody>
</table>

*based on FY16 in-year forecast as of 9/14/2015
Sources of Support for Grant Aid, Inflation-adjusted

Sources of Support for Grant Aid
Inflation-Adjusted 2015 Dollars (in Millions)

Grant Source: CU Unrestricted, CU Restricted, Government Private/Other

- Shaded areas approximate U.S. recessions
- Vertical lines indicate changes to aid policy
- FY15 data based on Fall in-year forecast
- Dashed trend lines reflect Special Endowment Withdrawal

Fiscal Year: 94-95, 95-96, ..., 15-16
# Financial Aid Funding – Peer Comparison

<table>
<thead>
<tr>
<th>Institution</th>
<th>% Unrestr. Grant</th>
<th>% Rest. Grant</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cornell</td>
<td>81.5%</td>
<td>18.5%</td>
</tr>
<tr>
<td>Brown</td>
<td>66.0%</td>
<td>34.0%</td>
</tr>
<tr>
<td>Columbia</td>
<td>63.2%</td>
<td>36.8%</td>
</tr>
<tr>
<td>Dartmouth</td>
<td>58.3%</td>
<td>41.7%</td>
</tr>
<tr>
<td>Duke</td>
<td>69.3%</td>
<td>30.7%</td>
</tr>
<tr>
<td>Harvard</td>
<td>32.5%</td>
<td>67.5%</td>
</tr>
<tr>
<td>MIT</td>
<td>22.7%</td>
<td>77.3%</td>
</tr>
<tr>
<td>Northwestern</td>
<td>77.4%</td>
<td>22.6%</td>
</tr>
<tr>
<td>Princeton</td>
<td>9.2%</td>
<td>90.8%</td>
</tr>
<tr>
<td>Stanford</td>
<td>34.2%</td>
<td>65.8%</td>
</tr>
<tr>
<td>U Chicago</td>
<td>75.7%</td>
<td>24.3%</td>
</tr>
<tr>
<td>U Pennsylvania</td>
<td>73.9%</td>
<td>26.1%</td>
</tr>
<tr>
<td>Yale</td>
<td>48.3%</td>
<td>51.7%</td>
</tr>
</tbody>
</table>
FY13 peer endowment per student

[Graph showing endowment per student for various universities, with Princeton University at the highest at $2,216,000, followed by Yale University at $1,730,000, Harvard University at $1,697,000, Stanford University at $1,193,000, etc., down to Syracuse University at $52,000.

[1] Consolidated numbers

Source: YUBA Group
BARBARA KNUTH
Cornell Undergraduate Financial Aid: Implications for Students

• Faculty Forum on Financial Aid
• October 2015

• Barbara Knuth
• Senior Vice Provost and Dean
A few facts for context …

- Less than 50% of Cornell UGs receive need-based Cornell grant aid.

- There is no “free ride:” Every aided student is expected to contribute to their Cornell education through academic year work ($2500+) and summer savings ($2700+).

- Of Cornell UG graduates in 2015, only 44% had any debt, compared to 69% of UGs nationally graduating with debt (in 2013).

- Cornell UGs graduating with debt in 2015 had an average of $23,625 in loans compared to the national average of $28,400 (2013).

- Median debt at graduation for Cornell undergraduates who borrowed was $16,344.
Student Context: Fall 2015

14,315 undergraduates:
- ~7,500 (52%) non-aided full-pay.
- ~6,800 (48%) receive need-based financial aid.
- ~6,200 (43%) receive need-based Cornell grant aid.

Aided students graduate at about same rate as unaided students:
Cornell Undergraduate Financial Aid: Goals

• Support economic diversity of Cornell’s student body.

• Provide access to education for deserving students, regardless of their ability to pay.

• Maintain competitiveness of Cornell’s financial aid packages compared to (appropriate) peers.

• Sustainability: manage financial aid programs within the capacity of the university budget.
Cornell Undergraduate Financial Aid Philosophy

- **Need-blind admissions**: Undergraduate students are admitted without regard to their ability to pay.

- **Need-based financial aid**: Demonstrated financial need is based on information from student and parents.

- **Meet full need**: Financial aid awards will meet full demonstrated financial need (US citizens & permanent residents; selected internationals).

- **Family responsibility**: Students and parents/families should have a significant stake in their Cornell education.

- **Flexibility**: Need may be met through various types of financial aid packaging (combination of work, loan, grant aid).
Materials Required to Apply for UG Financial Aid

• FAFSA (fafsa.ed.gov).
• CSS PROFILE (collegeboard.com).
• Non-Custodial PROFILE (if applicable); waiver available.
• University aid application (for continuing students).
• Federal Tax Returns, custodial and non-custodial (prior-year; non-filing statements are required if no taxes are filed).
• Citizenship documentation (for permanent residents).
• Sibling verification.
• Business tax returns (if own a business).
• Federal Verification (if selected, 30%).
Determining Financial Need

Cost of Attendance (Budget)
Tuition + Room/Board + Books + Travel + Misc. Expenses

MINUS

Family Contribution
Student Contribution (summer work & assets) + Parent Contribution (+Non-Custodial Parent Contribution, if applicable)

EQUALS

Student’s Financial Need
Cornell meets financial need through a combination of work, loans, and grants.
International Students:

• Need-blind admissions.
• Meet full need for a limited number of students (fixed total institutional financial aid budget of about $11.5M; $9M unrestricted, $2.5M restricted).
• About 16% (228) of international students are aided; some admitted and requesting aid receive no aid.

• Peers with need-based aid:
  • Need-blind admissions, meet full need for some admitted students (Cornell).
  • Need-blind admissions, meet full need for all admitted students (Harvard, Princeton, Yale).
  • Need-aware admissions, meet full need for all admitted students (Brown, Chicago, Columbia, Dartmouth, Duke, Northwestern, Penn, Stanford).
Financial Aid Initiatives:

2002: Preferential loan reduction for priority students.

2008: $0 loan for family income <$60K.
2009: $0 loan for family income <$75K.

2008: $3,000 annual loan cap for family income $60K-$120K.
2009: $3,000 annual loan cap for family income $75K-$120K.

2009: $7,500 annual loan cap for family income >$120K (was $10,300 loan).

2009: Income <$60K and assets <$100K then $0 parent contribution.

2009: Preferential parent contribution reduction for URM and college priorities.

2011: Award Match
Cornell Grant Cost Drivers FY08 to FY11

Total grant spending for need-based aid increased 86% ($94M):

- 21% increase in number of grant-aided students (5,900 to 7,113).
- 55% increase in average annual grant aid (increase of $10,232 on average per grant-aided student).
- 19% increase in tuition/fee prices ($6,544 on average per student).
- 13% increase in room and board prices ($1,410 on average per student).

- Endowment payout decreased.
- State and federal grants decreased.
- Undergraduate enrollment increased by about 3%, but most of the increase in number of aided students is due to students moving from “no need” into the aided populations, given economic changes.
2012 Task Force Recommendations

Affirm commitment to:

- **Need-blind admissions.**
- **Need-based aid** to provide access to a Cornell education.
- **Fully meeting need** with financial aid packaging mechanisms.

Continue:

- **$0 loans** for students from families <$60K.
- **$0 parent contribution** for students from families <$60K income and <$100K assets.
- **$7,500 maximum annual loan** for students from families >$120K annual income.

- **Award Match Initiative** for Ivies and Stanford, Duke, MIT (need-based aid).
Financial Aid Changes Implemented Fall 2013

Changes implemented for freshmen and transfers:

- Lowered $0 parent contribution threshold ($60K)
- Raised some loan levels (caps of $2,500; $5,000; $7,500 by income level)
- Raised student work expectation ($2,500)
- Decreased parent contribution reductions and discontinued preferential loan reductions.

Estimated total annual savings by F’16 (Task Force): $19.5M

Revised based on actuals: $21.2M

Median Cost after Grant from all Sources
Inflation-adjusted Dollars

- Aided
- Total Cost

Endowed Contract-Resident

- Red
- Green

Median Net Cost

$60,000
$50,000
$40,000
$30,000
$20,000

Academic Year

94-95 95-96 96-97 97-98 98-99 99-00 00-01 01-02 02-03 03-04 04-05 05-06 06-07 07-08 08-09 09-10 10-11 11-12 12-13 13-14 14-15 15-16
Median Cost, Endowed, U.S. Income Quintiles

Median Cost after Grant from all Sources
Inflation-adjusted Dollars

US Income Quintile (2014 Upper Thresholds)
Q1 ($29k) Q2 ($53k) Q3 ($82k) Q4 ($129k) Q5 Not Aided

Endowed

- Shaded areas approximate U.S. recessions
- Vertical lines indicate changes to aid policy
- FY16 data based on Fall in-year forecast

Academic Year

94-95 95-96 96-97 97-98 98-99 99-00 00-01 01-02 02-03 03-04 04-05 05-06 06-07 07-08 08-09 09-10 10-11 11-12 12-13 13-14 14-15 15-16
Median Cost, Contract-Resident, U.S. Income Quintiles

Median Cost after Grant from all Sources
Inflation-adjusted Dollars

US Income Quintile (2014 Upper Thresholds)
Q1 ($29k) Q2 ($53k) Q3 ($82k) Q4 ($129k) Q5 Not Aided

Contract-Resident

Shaded areas approximate U.S. recessions
Vertical lines indicate changes to aid policy
FY16 data based on Fall in-year forecast

Median Net Cost

$50,000
$40,000
$30,000
$20,000
$10,000
$0

Academic Year

00-01 01-02 02-03 03-04 04-05 05-06 06-07 07-08 08-09 09-10 10-11 11-12 12-13 13-14 14-15 15-16
## Fall ‘15 Family Income of Need-based Grant Recipients

<table>
<thead>
<tr>
<th>Income Range</th>
<th>Count</th>
<th>% Recipients</th>
</tr>
</thead>
<tbody>
<tr>
<td>$0 - $60k</td>
<td>2,093</td>
<td>34%</td>
</tr>
<tr>
<td>$60k - $75k</td>
<td>517</td>
<td>8%</td>
</tr>
<tr>
<td>$75k - $120k</td>
<td>1,450</td>
<td>23%</td>
</tr>
<tr>
<td>$120k - $150k</td>
<td>877</td>
<td>14%</td>
</tr>
<tr>
<td>$150k - $200k</td>
<td>862</td>
<td>14%</td>
</tr>
<tr>
<td>&gt; $200k</td>
<td>401</td>
<td>6%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>6,200</strong></td>
<td><strong>100%</strong></td>
</tr>
</tbody>
</table>

*Estimates based on data as of 9/14/2015*
Family Income, UGs Receiving Cornell Grant Aid, FY15

Income of Undergraduates Receiving Need-based Cornell Grant Aid, FY15

Cornell Policy Income Threshold

- $0-60k
- $60-75k
- $75-120k
- $120k+

---

Count

Family Income

$0 $50,000 $100,000 $150,000 $200,000 $250,000 $300,000 $350,000 $400,000
CU Grant vs. Family Income (>$200K), FY15
Post-Task Force F’13 Admits vs. Pre-Task Force Admits
Mean Debt at Graduation

Mean Debt at Graduation, Nominal and Inflation-adjusted 2015 Dollars

Graduates who borrowed - All graduates

Scale - Nominal - - Adjusted

Shaded areas approximate U.S. recessions
Vertical lines indicate changes to aid policy

Year of Graduation
Enrolling Freshmen by U.S. Income Quintiles

Percentage of Enrolling Freshmen by Income/Aid Category

US Income Quintile (2014 Upper Thresholds)
Q1 ($29k) Q2 ($53k) Q3 ($82k) Q4 ($129k) Q5 Not Aided

Shaded areas approximate U.S. recessions
Vertical lines indicate changes to aid policy
FY16 data based on Fall in-year forecast

Academic Year
Freshman Yield by U.S. Income Quintiles

Freshman Yield by Quintile Category

Income Group (US Income Quintiles)

Q1 & Q2 | Q3 & Q4 | Q5 | Not Aided

80%  | 75%  | 70%  | 65%  | 60%  | 55%  | 50%  | 45%  | 40%  | 35%

Yield

Academic Year

Shaded areas approximate U.S. Recessions
Vertical lines indicate changes to aid policy
(2008 excluded due to missing data)
Freshman Yield, Adjusted for College, Region, URM Status: Pre & Post F’13 Changes

Model-Adjusted Freshman Yield Rates, Pre- and Post-2013 Policy
Domestic, Regular Decision Admits Only

<table>
<thead>
<tr>
<th>$0-$60k</th>
<th>$60-$75k</th>
<th>$75-$120k</th>
</tr>
</thead>
<tbody>
<tr>
<td>80%</td>
<td>60%</td>
<td>40%</td>
</tr>
<tr>
<td>60%</td>
<td>40%</td>
<td>20%</td>
</tr>
<tr>
<td>40%</td>
<td>20%</td>
<td>0%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>$120k-$150k</th>
<th>$150k+</th>
<th>No Aid</th>
</tr>
</thead>
<tbody>
<tr>
<td>80%</td>
<td>60%</td>
<td>40%</td>
</tr>
<tr>
<td>60%</td>
<td>40%</td>
<td>20%</td>
</tr>
<tr>
<td>40%</td>
<td>20%</td>
<td>0%</td>
</tr>
</tbody>
</table>

Fall of Admission

2010 2011 2012 2013 2014 2015
Net Price for Selected Peers, 2013-14 IPEDS data
Net price and Pell percentages are based on first year undergraduates. Win rates are based on Fall 2014 CBQ survey data.

Net Price for Cornell and Selected Peers by Income Group, Pell Grant Percent, and Cornell's Head-to-Head Win Percent

<table>
<thead>
<tr>
<th>Institution</th>
<th>Net Price for Family Incomes &lt; $30K</th>
<th>Net Price for Family Incomes $48K to $75K</th>
<th>Net Price for Family Incomes $110K+</th>
<th>Percent Pell (13-14)</th>
<th>CU's head-to-head win %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tufts University</td>
<td>$10,574</td>
<td>$17,578</td>
<td>$45,217</td>
<td>11%</td>
<td>85%</td>
</tr>
<tr>
<td>Vanderbilt University</td>
<td>$6,905</td>
<td>$8,620</td>
<td>$33,006</td>
<td>14%</td>
<td>75%</td>
</tr>
<tr>
<td>University of Southern Calif.</td>
<td>$15,013</td>
<td>$21,248</td>
<td>$45,639</td>
<td>18%</td>
<td>73%</td>
</tr>
<tr>
<td>Washington University in St Lo.</td>
<td>$11,100</td>
<td>$16,047</td>
<td>$42,350</td>
<td>6%</td>
<td>65%</td>
</tr>
<tr>
<td>Johns Hopkins University</td>
<td>$10,049</td>
<td>$16,881</td>
<td>$42,804</td>
<td>13%</td>
<td>63%</td>
</tr>
<tr>
<td>Northwestern University</td>
<td>$11,700</td>
<td>$15,290</td>
<td>$43,125</td>
<td>15%</td>
<td>59%</td>
</tr>
<tr>
<td>Rice University</td>
<td>$6,468</td>
<td>$11,537</td>
<td>$32,042</td>
<td>15%</td>
<td>58%</td>
</tr>
<tr>
<td>University of Notre Dame</td>
<td>$9,048</td>
<td>$15,965</td>
<td>$40,836</td>
<td>11%</td>
<td>54%</td>
</tr>
<tr>
<td>Georgetown University</td>
<td>$9,638</td>
<td>$17,020</td>
<td>$43,481</td>
<td>13%</td>
<td>50%</td>
</tr>
<tr>
<td>Duke University</td>
<td>$8,777</td>
<td>$16,180</td>
<td>$41,893</td>
<td>13%</td>
<td>24%</td>
</tr>
<tr>
<td>Brown University</td>
<td>$3,186</td>
<td>$10,700</td>
<td>$42,007</td>
<td>19%</td>
<td>19%</td>
</tr>
<tr>
<td>University of Chicago</td>
<td>$8,964</td>
<td>$12,350</td>
<td>$40,693</td>
<td>11%</td>
<td>17%</td>
</tr>
<tr>
<td>University of Pennsylvania</td>
<td>$7,636</td>
<td>$12,939</td>
<td>$37,639</td>
<td>14%</td>
<td>14%</td>
</tr>
<tr>
<td>Columbia University in the City.</td>
<td>$9,142</td>
<td>$9,210</td>
<td>$39,050</td>
<td>16%</td>
<td>11%</td>
</tr>
<tr>
<td>Dartmouth College</td>
<td>$7,529</td>
<td>$12,576</td>
<td>$42,042</td>
<td>14%</td>
<td>8%</td>
</tr>
<tr>
<td>California Institute of Technol.</td>
<td>$6,696</td>
<td>$9,263</td>
<td>$38,799</td>
<td>8%</td>
<td>5%</td>
</tr>
<tr>
<td>Yale University</td>
<td>$3,918</td>
<td>$6,913</td>
<td>$34,366</td>
<td>11%</td>
<td>5%</td>
</tr>
<tr>
<td>Harvard University</td>
<td>$2,473</td>
<td>$6,310</td>
<td>$37,275</td>
<td>17%</td>
<td>2%</td>
</tr>
<tr>
<td>Princeton University</td>
<td>$3,630</td>
<td>$5,946</td>
<td>$25,060</td>
<td>15%</td>
<td>2%</td>
</tr>
<tr>
<td>Massachusetts Institute of Tec.</td>
<td>$5,128</td>
<td>$9,544</td>
<td>$42,906</td>
<td>18%</td>
<td>1%</td>
</tr>
<tr>
<td>Stanford University</td>
<td>$2,841</td>
<td>$7,576</td>
<td>$36,240</td>
<td>15%</td>
<td>1%</td>
</tr>
<tr>
<td>Cornell University</td>
<td>$11,665</td>
<td>$18,560</td>
<td>$44,820</td>
<td>15%</td>
<td>1%</td>
</tr>
</tbody>
</table>
Discussion
SUZANNE METTTLER
DEGREES of INEQUALITY

HOW the POLITICS of HIGHER EDUCATION SABOTAGED the AMERICAN DREAM

SUZANNE METTLER
No Longer the International Leader

Percent of Adults with Bachelors Degrees or Higher for Youngest and Oldest Cohort in Leading OECD Countries and U.S. (2010)

Source: OECD Education at a Glance 2012, Table A1.3a
Inequality in College Degrees

Estimated Percentage of U.S. Population with 4-yr. College Degree by Age 24, by Family Income Quartile, 1970-2011

## Stratification of Colleges

(Source: College Board)

<table>
<thead>
<tr>
<th></th>
<th>Published Tuition &amp; Fees (&quot;Sticker Prices&quot;) 2012-2013</th>
<th>Percentage of First-Time Full-time Students Seeking BA who earn it within 6 years</th>
<th>Percentage of Students With Federal Loans, 2007-2008</th>
<th>Median Student Debt (among 2007-08 graduates)</th>
<th>Default Rates Among Borrowers, after 3 years (2009)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>For-Profits</strong></td>
<td>$15,172</td>
<td>22%</td>
<td>94% (BA) 97% (AS)</td>
<td>$32,700 (BA) $18,800 (AS)</td>
<td>23%</td>
</tr>
<tr>
<td><strong>Private Nonprofits</strong></td>
<td>$29,056</td>
<td>65%</td>
<td>69%</td>
<td>$17,700</td>
<td>7%</td>
</tr>
<tr>
<td><strong>Publics</strong></td>
<td>$8,655 (4 yr) $3,131 (2 yr) (in-state)</td>
<td>55%</td>
<td>58% (BA) 33% (AS)</td>
<td>$22,400 (BA) $7,100 (AS)</td>
<td>8% (BA) 18% (AS)</td>
</tr>
</tbody>
</table>
What Explains It?

• POLICYSCAPE
  – A political terrain that is densely cluttered with policies created at earlier points in time
  – Requires maintenance & updating

• If left unintended, problems ensue:
  • Policy design effects
  • Unintended consequences
  • Lateral effects
Policy Upkeep Depends on Politics

• To what extent do policymakers manage existing programs?

Contemporary Obstacles:

• Polarization
• Plutocracy
I. Diminished Opportunity From Federal Student Aid: Pell Grants Fall Behind and Student Borrowing Soars as Tuition Rises at 4-Yr Public Universities (2010 Dollars)

Sources: U.S. Department of Education; Digest of Educational Statistics; FinAid.org
Rising Polarization in Congress →
Demise of Effective Lawmaking for Federal Student Aid

Sources: Voteview.com; authors’ analysis of roll call votes

Source: Author’s analysis of roll call votes on amendments. N=65 in House, 26 in Senate
Tuition Relief Through the Tax System: Costly Alternatives...With Less Impact

- Hope, Lifetime Learning Tax Credits, 1997
  - Largest share goes to families with household incomes between $100,000-$180,000

- American Opportunity Tax Credit, 2009
  - Such policies fail to expand access to college.
  - As of 2013, they cost the U.S. $16.7 billion—44% of the cost of Pell Grants ($38.2 billion).
II. Sinking Support for Public Universities and Colleges

- 73% of American college students attend
- State spending per student declined 26% (real), 1990 to 2010
- Tuition rose by 113% (real), 1990 to 2010
- Declining graduation rates
Higher Education Squeezed Out in State Budgets: Average Spending & Tax Revenues Per Capita (2010 Dollars)

Sources: Centers for Medicare and Medicaid Services; Center for the Study of Education Policy; State and Local Gov’t Finance Data Query System; Urban-Institute Brookings Tax Policy Center; U.S. Census Bureau; Kaiser Family Foundation
Restoring the Public Purposes of Higher Education
RON EHRENBERG
Thoughts on Financial Aid Policies

Ronald G. Ehrenberg
Irving M. Ives Professor of ILR and Economics
Director, Cornell Higher Education Research Institute
October 21, 2015
Ehrenberg 62- 66

• Cornell College of Arts and Sciences Class of 1966?
• Cornell did not adopt a policy of meeting the full need of all admitted students until 1976
• My parents were products of the depression and never borrowed a cent during their lives
• Harpur College (66). My life obviously was not ruined by my failing to attend Cornell.
• Similar aversion to taking out loans for education by relatively low-income families today explains our no loan policy for students from these families
Trade Offs

• Financial aid costs vs. everything else – How should Cornell decide what is the appropriate balance?
• Preferential packaging in our financial aid policies began in the 1980s but now are largely absent (Exceptions are the Cornell Commitment and the Ivy match policies)
• Social vs. private goals of financial aid policies – They do not necessarily conflict but they may (David Skorton story) – If they do, what should the appropriate balance be
Growing Sense of Entitlement?

• Should all students have some skin in the game? – Yale students’ complaints about work expectations in their no loan financial aid policies

• Should all students have access to the same Cornell experience? Impact of non mandatory fees and charges for certain activities

• Does having the same Cornell experience mean providing students with financial need with the ability to take unpaid internships (which are often the path to post college employment)?
Focus on Share of Students Receiving Pell Grants

• Why? – Financially neediest (among American Citizens), Have good data, Publicly can compare to what other institutions are doing
• But I worry in the years ahead about our losing the middle of our family income distribution (not middle income) – say students in the family income range of roughly $75,000 to $200,000 a year
Looking to the Future

• Are we really need-blind in admissions now? At least in one college we are need - preferring
• Possible Options for the Future
• Admit the last fraction of the class considering the financial background of the students
• Admit the last fraction of the class but deny them grant aid (admit/deny)
• Eliminate no loan policies but pick up the loan repayment for lower-income students’ Cornell years if they fail to finish here
• Do more preferential packaging within need class to enhance measured selectivity
• Dramatically increase endowments and giving for financial aid to reduce the share of tuition dollars that go towards undergraduate financial aid but realize the increased giving for financial aid may come at the expense of other giving and also that giving for other things can take pressure off of financial aid (e.g. funds for endowed chairs can save faculty salary dollars, which can then be redirected to financial aid