Cost of Education Shifts to In-state Students and Families

The primary cause for increased in-state undergraduate tuition is the decrease in state support per FTE student. Appropriated revenues per student dropped by $4,231 or 51% and tuition increased by $3,421 or 104%. Total revenue per in-state undergraduate student (tuition + state support) went down by $810 over the past decade.
Chart 2

Mason Spending/Funding Per FTE Student

Total Expenditures Increased 6%

State Support Decreased 51%

In-State UG Tuition Increased 104%

Generated Revenues Increased 66%

2001 - 2011 adjusted for inflation using HECA
Published Tuition and Fees Relative to 1982-83 by Sector

Over the 30 years from 1982-83 to 2012-13, average published tuition and fees at private nonprofit four-year institutions rose by 167%, from $10,901 (in 2012 dollars) to $29,056. The average published price at public two-year colleges rose by 182%, from $1,111 (in 2012 dollars) to $3,131, while the increase for in-state students at public four-year institutions was 257%, from $2,423 to $8,655.

Figure 5: Inflation-Adjusted Published Tuition and Fees Relative to 1982-83, 1982-83 to 2012-13 (1982-83 = 100)
Figure 5 shows published tuition and fees by sector, adjusted for inflation, as a percentage of 1982-83 published prices. For example, a value of 357 indicates that tuition and fees in 2012-13 are 3.57 times as high as they were in 1982-83, after adjusting for increases in the Consumer Price Index.

Notes & Sources
SOURCES: The College Board, Annual Survey of Colleges; NCES, IPEDS.

- Over the 30 years from 1982-83 to 2012-13, average published tuition and fees at private nonprofit four-year institutions rose by 167%, from $10,901 (in 2012 dollars) to $29,056. The average published price at public two-year colleges rose by 182%, from $1,111 (in 2012 dollars) to $3,131, while the increase for in-state students at public four-year institutions was 257%, from $2,423 to $8,655.

Also Important
- About 40% of full-time dependent students enrolled in public four-year institutions live on campus. Another 40% live in off-campus housing and about 20% live with their parents. Among dependent students at private nonprofit four-year colleges, 70% live on campus, 17% live in off-campus housing, and 12% live with their parents. (NCES, National Postsecondary Student Aid Study [NPSAS], 2008)
Higher Education Inflation

Figure 2: Higher education inflation (2001–2010)

Average tuition as % of median earnings

<table>
<thead>
<tr>
<th>Year</th>
<th>2001</th>
<th>2002</th>
<th>2003</th>
<th>2004</th>
<th>2005</th>
<th>2006</th>
<th>2007</th>
<th>2008</th>
<th>2009</th>
<th>2010</th>
</tr>
</thead>
<tbody>
<tr>
<td>%</td>
<td>23.2</td>
<td>26.9</td>
<td>28.6</td>
<td>30.3</td>
<td>31.5</td>
<td>31.5</td>
<td>29.7</td>
<td>33.2</td>
<td>35.8</td>
<td>37.7</td>
</tr>
</tbody>
</table>

Median annual earnings:

- 2001: $58,400
- 2002: $61,000
- 2003: $59,500
- 2004: $58,900
- 2005: $58,700
- 2006: $59,700
- 2007: $66,400
- 2008: $59,000
- 2009: $56,900
- 2010: $55,730

Sources: US Bureau of Labor Statistics (BLS); IPEDS; Bain & Company and Sterling Partners analysis

"The Financially Sustainable University," Bain & Company, July 6, 2012,
Increasing Levels of Student Debt

Total Debt Balance and its Composition

Source: FRBNY Consumer Credit Panel/Equifax Over the one year period ending March 31, 2012, student loan balances rose $64 billion. Over the same period, all other forms of household debt (mortgages, HELOCs, auto loans and credit card balances) fell a combined $383 billion. Since the peak in household debt in 2008Q3, student loan debt has increased by $293 billion, while other forms of debt fell a combined $1.53 trillion. “Quarterly Report on Household Debt and Credit,” Federal Reserve Bank of New York, March 2012, http://data.newyorkfed.org/creditconditions/.
Mason Average Student Debt

Adjusted for inflation, more of Mason’s students are graduating with debt and the average debt has continued to increase. Factors affecting the rise in average debt include the increases in residential students and out-of-state students.

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Average Debt</td>
<td>$18,433</td>
<td>$16,249</td>
<td>$18,132</td>
<td>$18,409</td>
<td>$19,805</td>
<td>$19,852</td>
<td>$22,641</td>
</tr>
<tr>
<td>% Grads with Debt</td>
<td>37%</td>
<td>47%</td>
<td>48%</td>
<td>49%</td>
<td>54%</td>
<td>52%</td>
<td>54%</td>
</tr>
</tbody>
</table>

*Source: May 2011 dollars, other years adjusted for inflation using Washington Metro CPI-U (BLS).*

Mason’s average debt is slightly above the average for Virginia research institutions and somewhat less than its peer average. Mason has consistently had a lower default rate than its comparison groups.

<table>
<thead>
<tr>
<th>Institution</th>
<th>2010 Graduates who Borrowed</th>
<th>2010 Average Total Debt of Grads</th>
<th>2010 Fed. Loan Default Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>George Mason University</td>
<td>54%</td>
<td>$22,219</td>
<td>1.8%</td>
</tr>
<tr>
<td>College of William and Mary</td>
<td>38%</td>
<td>$21,367</td>
<td></td>
</tr>
<tr>
<td>Old Dominion University</td>
<td>80%</td>
<td>$17,250</td>
<td></td>
</tr>
<tr>
<td>University of Virginia</td>
<td>32%</td>
<td>$19,384</td>
<td></td>
</tr>
<tr>
<td>Virginia Commonwealth University</td>
<td>61%</td>
<td>$25,151</td>
<td></td>
</tr>
<tr>
<td>Virginia Tech</td>
<td>52%</td>
<td>$23,100</td>
<td></td>
</tr>
<tr>
<td>VA Research Average</td>
<td>57%</td>
<td>$21,250</td>
<td>1.9%</td>
</tr>
<tr>
<td>Peer Institution Average</td>
<td>55%</td>
<td>$24,296</td>
<td>2.4%</td>
</tr>
<tr>
<td>National Average</td>
<td></td>
<td></td>
<td>5.2%</td>
</tr>
</tbody>
</table>
### Average Undergraduate Debt at Graduation

<table>
<thead>
<tr>
<th>University</th>
<th>2010-2011</th>
<th>2011-2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>GMU</td>
<td>$22,219</td>
<td>$23,506</td>
</tr>
<tr>
<td>VCU</td>
<td>$25,151</td>
<td>$27,179</td>
</tr>
<tr>
<td>ODU</td>
<td>$17,250</td>
<td>$16,500</td>
</tr>
<tr>
<td>JMU</td>
<td>$20,417</td>
<td>$22,128</td>
</tr>
<tr>
<td>VT</td>
<td>$23,100</td>
<td>N/A</td>
</tr>
<tr>
<td>UVA</td>
<td>$19,384</td>
<td>$20,951</td>
</tr>
</tbody>
</table>
Chart 8

Percent of Students with Loans*

2010-2011

- Federal and Private Loans

GMU: 53%
JMU: 43%
VCU: 68%
VT: 45%
UMD: 37%
Rutgers: 60%
GW: 49%
NYU: 44%
Average Loan Amount per Student in 2010-2011

GMU $6,172
JMU $6,222
VCU $6,409
VT $6,985
UMD $6,541
Rutgers $8,112
GW $6,675
NYU $6,801

* Federal and Private Loans
Parents' Loan Debt
Total Amount Borrowed in 2010-2011

<table>
<thead>
<tr>
<th>Institution</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>GMU</td>
<td>$16,826,532</td>
</tr>
<tr>
<td>JMU</td>
<td>$35,191,960</td>
</tr>
<tr>
<td>VCU</td>
<td>$14,663,510</td>
</tr>
<tr>
<td>VT</td>
<td>$21,106,191</td>
</tr>
<tr>
<td>UMD</td>
<td>$24,844,437</td>
</tr>
<tr>
<td>Rutgers</td>
<td>$30,252,853</td>
</tr>
<tr>
<td>GW</td>
<td>$16,451,763</td>
</tr>
<tr>
<td>NYU</td>
<td>$116,375,012</td>
</tr>
</tbody>
</table>

Parents' Loan Debt: Total Amount Borrowed in 2010-2011

![Bar chart showing loan debt for various institutions](chart.png)
Chart 12

Parents' Loan Debt: Average Amount Borrowed in 2010-2011

- GMU: $13,260
- JMU: $13,335
- VCU: $10,183
- UMD: $12,179
- Rutgers: $12,857
- GW: $20,984
- NYU: $27,305

2010-2011

$30,000
$25,000
$20,000
$15,000
$10,000
$5,000
$0
Undergraduate Trends in Student Aid and Nonfederal Loans per FTE

Other Data in this Topic
Online Only!

Total financial aid per full-time equivalent (FTE) undergraduate student increased by 64% between 2001-02 and 2011-12, rising from $8,055 (in 2011 dollars) to $13,218. In addition, students borrowed an average of about $525 per FTE in 2001-02 and about $484 in 2011-12 from nonfederal sources.

Figure 1A: Student Aid and Nonfederal Loans per Full-Time Equivalent (FTE) Undergraduate Student Used to Finance Postsecondary Education Expenses in 2011 Dollars, 1990-91 to 2011-12
Notes & Sources

- Over the decade from 2001-02 to 2011-12, federal funds received from Campus-Based Aid programs (Federal Supplemental Educational Opportunity Grant (FSEOG), Federal Work-Study and Perkins Loans) declined from $312 (in 2011 dollars) per FTE undergraduate student to $169.

- State grant aid per FTE undergraduate student increased from $620 (in 2011 dollars) in 2001-02 to $693 in 2006-07 and to $698 in 2011-12.

- Stafford Loan borrowing increased from $2,527 (in 2011 dollars) per FTE undergraduate in 2001-02 to $2,861 in 2006-07 and to $4,207 in 2011-12.
Undergraduate Student Aid by Source and Type

In 2011-12, federal loans constituted 38% and federal grants constituted 26% of the $185.1 billion in student aid received by undergraduate students.

Figure 2A: Undergraduate Student Aid by Source and Type (in Billions), 2011-12

Download Data in Excel
See Key Points See Also Important
NOTE: Percentages may not sum to 100 and components may not sum to total because of rounding. See Notes and Sources for a list of programs included in Federal Grant Programs. Nonfederal loans are not included because they involve no subsidy and are not actually a form of financial aid.

SOURCE: Trends in Student Aid website (http://trends.collegeboard.org), Table 1A.

Key Points

- The 18% of undergraduate aid that came in the form of institutional grants in 2011-12 constituted 34% of all undergraduate grant aid. The federal government provided 49% of undergraduate grant aid.

Also Important

- In fall 2011, an estimated 14.0 million (87%) of the 16.1 million full-time equivalent (FTE) postsecondary students were undergraduates.

- In fall 2011, 40% of FTE undergraduate enrollment was in the public four-year sector, 30% was in public two-year colleges, 17% in private nonprofit four-year institutions, and 12% in the for-profit sector, with a small share in other institutions.

- Undergraduate students are considered dependent, with their aid eligibility a function of their own and their parents' financial circumstances, unless they are at least 24 years of age or are orphans or wards of the court, homeless unaccompanied youth, married, veterans, on active duty, or have legal dependents.
Graduate Trends in Student Aid and Nonfederal Loans per FTE

Total financial aid per full-time equivalent (FTE) graduate student increased by 53% between 2001-02 and 2011-12, rising from $16,446 (in 2011 dollars) to $25,152. Nonfederal borrowing declined from an average of about $1,631 per FTE in 2001-02 to about $657 in 2011-12, as students turned to federal GradPLUS Loans.

Figure 1B: Student Aid and Nonfederal Loans per Full-Time Equivalent (FTE) Graduate Student Used to Finance Postsecondary Education Expenses in 2011 Dollars, 1990-91 to 2011-12
Notes & Sources

Note: See Notes and Sources for a list of programs included in other federal programs.

Key Points

- Over the decade from 2001-02 to 2011-12, federal funds received from Campus-Based Aid programs (Federal Supplemental Educational Opportunity Grant (FSEOG), Federal Work-Study and Perkins Loans) declined from $317 (in 2011 dollars) per FTE graduate student to $154.

- State grant aid per FTE graduate student increased from $112 (in 2011 dollars) in 2001-02 to $120 in 2006-07, before declining to $55 by 2011-12.

- Federal education borrowing, including both Stafford and GradPLUS Loans, increased from $9,703 (in 2011 dollars) per FTE graduate student in 2001-02 to $13,060 in 2006-07 and to $16,619 in 2011-12.
Graduate Student Aid by Source and Type

Other Data in this Topic
In 2011-12, federal loans constituted 67% of the $51.7 billion in student aid received by graduate students, who also rely on fellowships and assistantships provided by their universities. Federal grants accounted for only 3% of graduate student aid.

Figure 2B: Graduate Student Aid by Source and Type (in Billions), 2011-12
*Download Data in Excel
See Key Points See Also Important

Notes & Sources
NOTE: Percentages may not sum to 100 and components may not sum to total because of rounding. See Notes and Sources for a list of programs included in Federal Grant Programs. Nonfederal loans are not included because they involve no subsidy and are not actually a form of financial aid.

SOURCE: Trends in Student Aid website (trends.collegeboard.org), Table 1B.

Key Points
- The 18% of graduate student aid that came in the form of institutional grants in 2011-12 constituted 61% of all grant aid for graduate students.
- The 9% of graduate student aid that came in the form of grants from employers and other private sources constituted 29% of all grants to graduate students.

Also Important
- About 2.9 million graduate students were enrolled in fall 2011 -14% of all postsecondary students.
- Graduate students include both those enrolled in master's or doctoral programs and those in professional programs in fields such as law and medicine, who are much more dependent on student loans.
- In fall 2011, 48% of FTE graduate enrollment was in the public four-year sector, 42% was in private nonprofit four-year institutions, and 10% was in the for-profit sector.
- All graduate students are independent for purposes of federal financial aid, so their eligibility for need-based aid depends only on their own income and assets for most programs.
Amount of Aid Mason Students Received in 2010

<table>
<thead>
<tr>
<th></th>
<th>Undergraduate</th>
<th>Graduate</th>
</tr>
</thead>
<tbody>
<tr>
<td>Amount of loans student</td>
<td>$88,037,101.00</td>
<td>$129,050,304.00</td>
</tr>
<tr>
<td>received</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Amount of need-based</td>
<td>$39,468,622.00</td>
<td>$23,343,622.00</td>
</tr>
<tr>
<td>grant aid received</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Amount of merit aid</td>
<td>$16,419,870.00</td>
<td>$15,618,127.00</td>
</tr>
<tr>
<td>received</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Chart 15
Amount of Aid Mason Students Received in 2011

<table>
<thead>
<tr>
<th></th>
<th>Undergraduate</th>
<th>Graduate</th>
</tr>
</thead>
<tbody>
<tr>
<td>Amount of loans student received</td>
<td>$94,516,314.00</td>
<td>$72,137,685.00</td>
</tr>
<tr>
<td>Amount of need-based grant aid received</td>
<td>$44,683,830.00</td>
<td>$23,809,858.00</td>
</tr>
<tr>
<td>Amount of merit aid received</td>
<td>$16,365,058.00</td>
<td>$15,635,452.00</td>
</tr>
</tbody>
</table>

Chart 16
Percent of Students Receiving Grants and Scholarships
2010-2011

- GMU: 46%
- JMU: 25%
- VCU: 59%
- VT: 57%
- UMD: 64%
- Rutgers: 53%
- GW: 71%
- NYU: 55%

Chart 17

Percent of Students Receiving Grants and Scholarships in 2010-2011
Cost per FTE Student

Since 2001, inflation adjusted cost per FTE student increased by $822 or 6%, primarily due to employee growth outpacing student enrollment beginning in 2006. Personnel were added to support the academic and research missions of the university and the need to maintain the campus infrastructure as the university shifted to a residential campus. E&G areas of greatest growth during this period include enrollment services and student support; and research, including sponsored programs and environmental health and safety.

![Graph showing cost per FTE student from 2001 to 2012. The y-axis represents dollars in 2012, ranging from $2,000 to $18,000. The x-axis represents years from 2001 to 2012. The graph indicates a total expenditure increase of 6%.](chart)