

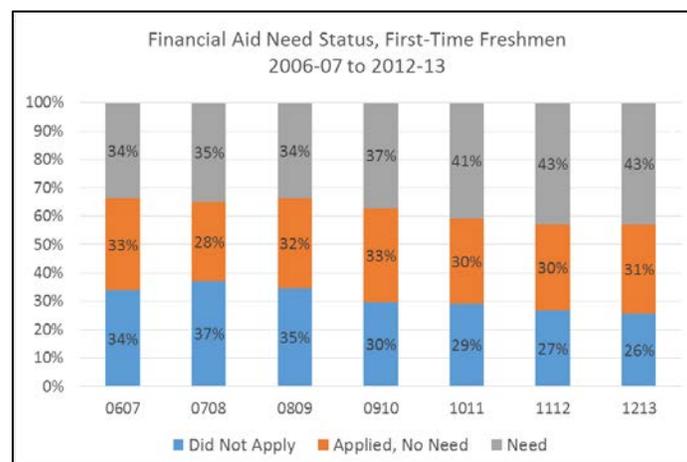
## STUDENT FINANCIAL NEED: A SEVEN-YEAR VIEW

It is true that the costs of higher education have outstripped the Consumer Price Index (CPI) for many years. This truism has been trumpeted by the media, legislators, parents and students. The Office of Institutional Research decided to study how these national and regional trends are reflected at JMU, and how these trends affect student financial aid need and borrowing. Between 2006-07 and 2012-13 the total annual cost (tuition, fees, room and board) for in-state students at JMU increased from \$13,046 to \$17,438 (+34 percent) compared to +14 percent for the CPI. While JMU's increases are less than most of our institutional peers over the same period and while the reasons for these cost increases are many and varied, the purpose of this Research Note is to review the financial aid applications and aid received by new first-time, full-time (FTFT) freshmen between 2006-07 and 2012-13. The study also explores the changes in the median debt of recent graduates and how it compares with the other Virginia public institutions.

For this study, we used official data on financial aid annually sent to SCHEV by OIR since 2006-07. These data contain detailed information on various types of aid and loans students received each year. From these data it is possible to determine changes in the percentage of students with financial need and the dollar amounts of grants and loans they received. As shown in the table and graph below, the percentage of first-time, full-time freshmen that had need, as determined by federal definitions, increased from 34 percent in 2006-07 to 43 percent in 2012-13. The percentage of freshmen who completed the federal financial need forms (FASFA) increased from 67 percent in 2006-07 to 74 percent in 2012-13.

Applicants for Financial Aid and Results  
First-Time, Full-Time Freshmen, 2006-07 to 2012-13

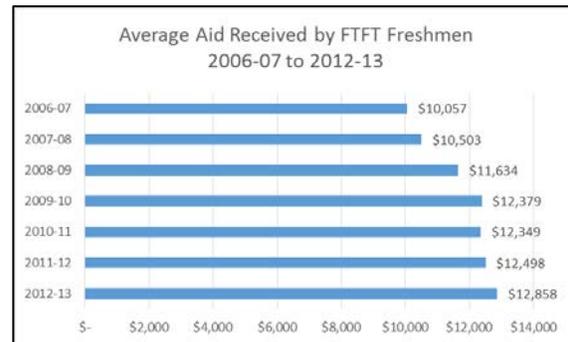
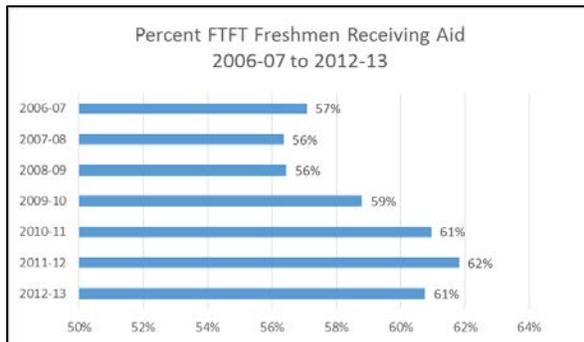
Need Status	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13
Did Not Apply	1,267	1,438	1,369	1,169	1,168	1,079	1,114
Applied, No Demonstrated Need	1,219	1,074	1,249	1,303	1,197	1,232	1,361
Need	1,264	1,352	1,329	1,470	1,633	1,740	1,857
Total	3,750	3,864	3,947	3,942	3,998	4,051	4,332



As costs and financial needs increase, institutions, students, and parents increasingly look for ways to pay for college. The table and charts below and on the next page display data about aid (average and total) received by need status since 2006-07. Between 2006-07 and 2012-13 total dollars disbursed increased by 57 percent. The average financial aid package, regardless of need, increased by 28 percent. The average aid package for students with need increased by 26 percent. Total aid and loans used by students and parents increased by more than 50 percent. Total costs have increased by 34 percent, thus leaving new students and their parents to search for new avenues to fund their JMU education.

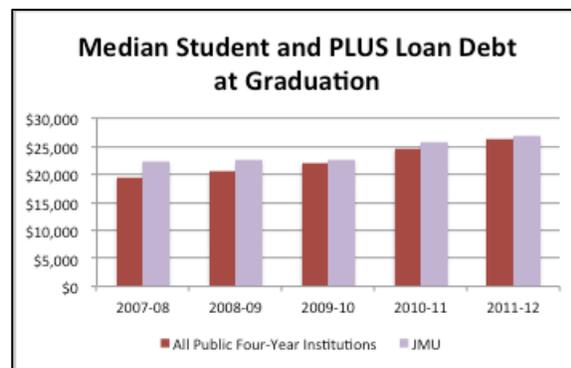
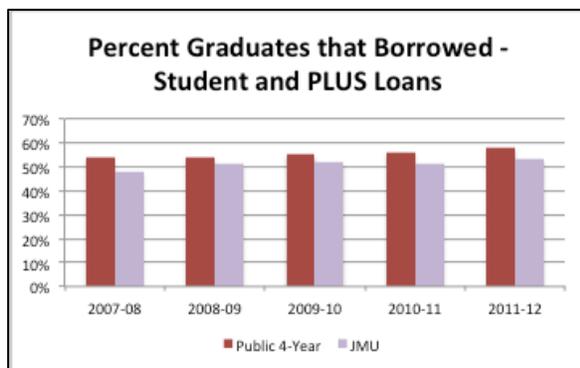
**Need Status, Average Aid Received and Percent of First-Time, Full-Time Freshmen  
Receiving Some Type of Aid: 2006-07 to 2012-13**

Report Year	Need Status	Received Aid	Average Aid Received	Total Disbursed	FTFT	Percent
2006-07	Need	1,166	11,692	13,633,189	1,264	92%
2006-07	No Need, Completed FASFA	740	8,804	6,514,662	1,219	61%
2006-07	Did Not Apply	235	5,894	1,385,189	1,267	19%
2006-07	Total	2,141	10,057	21,533,040	3,750	57%
2007-08	Need	1,238	12,171	15,067,858	1,352	92%
2007-08	No Need, Completed FASFA	665	9,417	6,262,447	1,074	62%
2007-08	Did Not Apply	275	5,619	1,545,230	1,438	19%
2007-08	Total	2,178	10,503	22,875,535	3,864	56%
2008-09	Need	1,217	13,362	16,261,575	1,329	92%
2008-09	No Need, Completed FASFA	779	10,508	8,185,831	1,249	62%
2008-09	Did Not Apply	232	6,349	1,473,040	1,369	17%
2008-09	Total	2,228	11,634	25,920,446	3,947	56%
2009-10	Need	1,318	14,145	18,643,338	1,470	90%
2009-10	No Need, Completed FASFA	810	10,938	8,859,744	1,303	62%
2009-10	Did Not Apply	190	6,267	1,190,642	1,169	16%
2009-10	Total	2,318	12,379	28,693,725	3,942	59%
2010-11	Need	1,503	14,412	21,661,711	1,633	92%
2010-11	No Need, Completed FASFA	708	10,320	7,306,574	1,197	59%
2010-11	Did Not Apply	226	4,981	1,125,683	1,168	19%
2010-11	Total	2,437	12,349	30,093,969	3,998	61%
2011-12	Need	1,564	14,286	22,343,889	1,740	90%
2011-12	No Need, Completed FASFA	726	10,741	7,798,095	1,232	59%
2011-12	Did Not Apply	214	5,384	1,152,153	1,079	20%
2011-12	Total	2,504	12,498	31,294,137	4,051	62%
2012-13	Need	1,645	14,744	24,253,267	1,857	89%
2012-13	No Need, Completed FASFA	787	10,310	8,113,608	1,361	58%
2012-13	Did Not Apply	200	7,379	1,475,722	1,114	18%
2012-13	Total	2,632	12,858	33,842,597	4,332	61%



The final questions to be addressed in this Research Note concern the amount of debt JMU graduates must repay. Is it increasing or decreasing? How does borrowing at JMU compare with other Virginia public four-year institutions? The State Council of Higher Education for Virginia (SCHEV) released a study of average debt in the fall of 2013. Noteworthy findings from the SCHEV study include:

- Median student loan debt for JMU graduates is lower than for other public institutions. However, when taking into consideration student and parent (PLUS) loans, JMU students and/or parents that borrowed have a higher median debt at graduation than the median of the other Virginia four-year public institutions. JMU parents are taking on more debt than parents at other institutions. This is despite the fact that JMU has been successful in keeping its tuition increases as low as possible. The university has only the 12<sup>th</sup> highest in-state tuition in the Commonwealth, charging less in-state tuition than such institutions as Longwood, Christopher Newport and Old Dominion.
- JMU parents are more likely to borrow for their child's education both in terms of percent of families borrowing as well as average amount borrowed. Parents of out-of-state students are slightly more likely to borrow and take out loans about twice as high as in-state parents.
- As of the 2011-12 academic year, 19% of JMU graduates leave the university with more than \$25,000 in debt. That percentage is likely to rise.
- Unlike the other Virginia four-year public institutions, out-of-state JMU graduates are more likely to have debt than in-state graduates.



The conclusions about borrowing and debt at JMU that seem relevant are:

- The cost of in-state tuition, fees, room and board at JMU has increased by 34 percent since 2006-07, while the CPI increased by 14 percent.
- An increasing percentage of freshmen are seeking financial aid (+ seven percent since 2006-07).
- The percentage of JMU freshmen with demonstrated financial need increased by nine percent between 2006-07 and 2012-13.
- Significant additional grant and loan funds from various sources (federal, state and the institution) increased by more than 50 percent and were made available to students and their parents.
- The percentage of JMU graduates that borrowed is less than the other public institutions, and their median debt is less than for the other public institutions (as a whole). However, if one includes student loans and parent PLUS loans, the median debt of JMU students and their parents is slightly higher than other public institutions. The average PLUS loan for parents of out-of-state first-time freshmen (\$21,139) is almost twice that of parents of in-state first-time freshmen (\$10,957).

Questions about this study can be directed to the JMU Office of Intuitive Research at [ask-oir@jmu.edu](mailto:ask-oir@jmu.edu).