Student Financial Services

Student Financial Services (SFS) is committed to making the dream of attending MIT a reality by providing students and their families with the resources necessary to meet their financial obligations. By helping today’s students finance their education, SFS hopes to inspire them to join the infinite circle of support that allows MIT to ensure access and affordability for future generations. The core responsibilities of SFS are organized around two major functional areas: billing and collecting tuition, fees, and other Institute charges, and administering student financial aid, including student and parent loans and student employment.

Operating Activities

Tuition, Fees, and Other Institute Charges

Tuition, fees, and other major Institute charges totaled $641,255,711 in AY2014, a 5.4% increase over the previous year, and broke down as follows:

- Tuition: $549,113,049
- Student life fee: $3,165,940
- Housing: $57,718,135
- Dining/TechCASH: $11,534,609
- Health plan/insurance: $17,383,196
- Medical/dental charges: $200,293
- Late payment fees: $384,248
- Miscellaneous charges: $1,756,241

Graduate tuition was $356.8 million, or 65% of total tuition, and undergraduate tuition was $192.3 million, or 35% of total tuition.

Other Student Accounts Activities and Receivables

As of June 30, 2014, the student accounts receivable balance, netting out credit balances and exclusive of advance summer term billing, was $1,310,708. Students are eligible for refunds when the credits on their student account exceed their charges. In FY2014, 4,880 refunds, totaling $22.6 million, were issued to students.

Student and Parent Loan Activities and Receivables

SFS administers MIT’s Educational Loan Plan (on behalf of Human Resources), which provides loans to eligible employees to help finance undergraduate or graduate education of eligible dependent children. In AY2014, $2.3 million was loaned and $2 million collected. The year-end receivables balance for this program continued to climb, rising 4.4%, to $7.7 million.

Overall education loan notes receivables as of June 30, 2014, comprising the Federal Perkins Loans, MIT Educational Loans, MIT Technology Loans, and MIT Parent Loans, decreased 2.3%, to $51.2 million.
Undergraduate Student Financial Aid

MIT believes that parents and students have primary responsibility, to the extent that they are able, for paying the costs of an undergraduate education. The Institute recruits and enrolls the most talented and promising students, without regard to their financial circumstances. It awards aid only for financial need and does not award undergraduate scholarships for academic or athletic achievements or any other nonfinancial criteria. MIT guarantees that each student’s demonstrated financial need is fully met.

In AY2014, the annual price of an MIT education totaled $59,520 per student—$43,498 for tuition and fees; $12,744 for room and board; an estimated $2,778 for books, supplies, and personal expenses; and a per student average of $500 for travel. With 4,510 undergraduates enrolled, the collective price for undergraduates was $268.4 million. Of this amount, families paid $142.7 million, or 53%, and financial aid covered the remaining 47%.

Ninety-one percent of undergraduates (4,098 students) received $125.7 million in need- and merit-based financial aid. This includes scholarships, grants, student loans, and employment from institutional, federal, state, and private sources. Need-based aid recipients make up 59% of MIT undergraduates.

For students with family incomes under $75,000 a year, the Institute continues to ensure that scholarship funding will allow them to attend MIT tuition-free, a policy put in place in 2008. In AY2014, 32% of undergraduates (1,452 students) received scholarships and grants from all sources equal to or greater than tuition, and 1,049 of these students (72%) had family incomes below $75,000.

In AY2014, 18% of undergraduates (827 students) received a Federal Pell Grant. Based on a policy the Institute put in place in 2006, the Institute matches the Pell Grant dollar for dollar by allowing students to use the grant to reduce their loan and/or term-time job expectation rather than reducing the MIT scholarship.

Sources of Undergraduate Student Financial Aid

MIT was the largest source of financial aid to its undergraduates in AY2014, providing 76% of the aid undergraduates received. Ninety-two percent of the aid MIT provided was scholarships, 8% student employment, and less than 1% student loans.

The federal government was the second largest source of financial aid to MIT undergraduates in AY2014, providing 13% of the aid undergraduates received. Undergraduates received Federal Pell Grants, Federal Supplemental Educational Opportunity Grants, Reserve Officer Training Corps Scholarships, Federal Direct Subsidized and Unsubsidized Stafford Loans, Federal Perkins Loans, and Federal Work-Study, including Federal Work-Study Community Service.

Private sources of financial aid—including charitable and civic organizations, corporations, foundations, banks, and other financial institutions—provided the remaining 11% of aid undergraduates received in AY2014. This includes private scholarships and alternative student loans (so called to distinguish them from federal
loans). State aid is not a significant factor in financing an MIT education, even though several states, including Massachusetts, allow residents to receive a state scholarship while attending MIT.

**Undergraduate Scholarships and Grants**

Scholarships and grants from all sources totaled $107 million, with 71% of undergraduates (3,187 students) receiving scholarships. MIT awarded $87.9 million in need-based scholarships to 56% of undergraduates (2,545 students). The average MIT scholarship was $34,551. Approximately 77% of MIT scholarships were funded from restricted sources and 23% came from the general Institute budget or unrestricted sources.

**Undergraduate Student Loans**

During AY2014, 22% of undergraduates (991 students) borrowed $9.2 million. The average loan per borrower was $9,246, and the median was $6,829. Approximately 40% of graduating undergraduates in the Class of 2014 (422 students) borrowed at some point during their education. Their debt ranges from $126 to $169,256, with the 90th percentile at $42,768. The average total debt per borrower is $19,064, and the median debt is $13,000.

**Undergraduate Student Employment**

Sixty-eight percent of undergraduates (3,080 students) earned wages from on-campus employment and employment under the Federal Work-Study Program, including both on- and off-campus programs. Their wages totaled $9.5 million, or an average of $3,088 per student worker.

**Undergraduate Parent Loans**

Approximately 4% of undergraduate families (165 parents) borrowed $3.6 million through a parent loan program administered by MIT. Federal Direct PLUS loans accounted for 98% of the dollars borrowed. The average loan per borrower was $21,891.

**Graduate and Professional Student Financial Aid**

Graduate and professional students receive tuition support and stipends in connection with research assistantships, teaching assistantships, and fellowship appointments. While this support is considered financial aid, it is not included in this report, as SFS does not administer these sources of support.

**Graduate and Professional Student Loans and Federal Work-Study**

Graduate and professional students are eligible for need-based financial aid, including student loans as well as student employment under the Federal Work-Study Program, both of which are administered and reported by SFS. In AY2014, loans totaled $44.9 million, a decrease of approximately $1.3 million from the prior year, with 12.4% of graduate and professional students (819 students) borrowing an average of $54,816. Graduate student employment earnings under the Federal Work-Study Program, including on- and off-campus programs, totaled $1.4 million, with 1.4% of graduate and professional students (91 students) earning $15,006 on average.
Graduate and Professional Student Grants

In AY2014, 8.6% of graduate and professional students (568 students) received grants from private sources totaling $22.7 million. Seventy-five percent of this amount was received through sponsor billing, a process by which a sponsor, such as a foreign government, agrees to cover tuition and other Institute charges for a student and SFS invoices that sponsor.

Other Accomplishments

The strong partnership between SFS and Education Systems in Information Services and Technology resulted in significant achievements this year.

Phases one and two of the multiyear PowerFAIDS (Financial Aid Information Data System) Data Exchange Project were completed, resulting in improvements in data exchanges from MITSIS (Massachusetts Institute of Technology’s Student Information System) and Admissions to PowerFAIDS and from PowerFAIDS to MITSIS.

Phase two (charge assessment) of the multiyear Student Account Implementation Project was completed, resulting in the creation of a standardized, yet user friendly, web interface for department submission of student account charges and credits.

Another significant enhancement involved MIT’s student account electronic billing and payment service, MITPAY. Electronic payments made through MITPAY now post in real time to the student’s MITSIS account, and the new balance is dynamically presented in MITPAY.

As part of this deployment, the MITPAY vendor, Nelnet, partnered with another SFS vendor, peerTransfer, to provide international students and their authorized payers the ability to make international wire payments through MITPAY. International wire payments can now be submitted, tracked, and completed within MITPAY instead of having to be done separately through peerTransfer.

Elizabeth Hicks served as a nonfederal negotiator, representing four-year not-for-profit higher education institutions, during the US Department of Education’s 2014 negotiated rulemaking on program integrity. Consensus was not reached, and the department is indefinitely delaying the publication of proposed rules for state authorization of distance education, an issue of critical importance to MIT given its national leadership in distance education.

Staffing

There were significant staffing changes during the past year. Carlene Chisom-Freeman, director of student receivables, retired after a distinguished career spanning several decades within the Bursar’s Office and then SFS. Brendon Puffer, senior data analyst, and Michael Albano, associate director for financial aid, left for new professional opportunities.
New hires included Amy Cocchiarella, senior data analyst; Larissa Douglas, student services representative; Mark Waters, director of student receivables; Lindsey Withem, compliance officer; and Peter Wyatt, assistant director of financial aid.

Neeta Purhoit was promoted from business systems analyst to senior business systems analyst, Ashley Russell from counselor for customer service to assistant director for customer service, and Emma Wilcox from assistant director for financial aid to senior assistant director for financial aid.

At the end of the academic year, there was one open position for a technical support specialist. Of the 33 positions currently filled, 67% are held by women, 33% by men, 27% by minority group members, and 21% by members of underrepresented minority groups.

Elizabeth M. Hicks
Executive Director, Student Financial Services