

Section 3. Undergraduate Students – Affordability

GOALS

UC seeks to ensure that financial considerations are not an obstacle to student decisions to seek and complete a University degree. Guided by policy adopted by the Board of Regents in 1994, the University's student financial aid programs are closely linked to the University's goals of student accessibility.

NARRATIVE

UC closely monitors the impact of its pricing decisions and its financial aid program with a variety of affordability indicators. For example, it routinely assesses the cost of attending UC for families at different income levels; it also monitors the enrollment of low- and middle-income students as well as how much students need to work during a term and borrow money to pay for their education. Although costs have risen, the indicators in this section show that the University continues to remain accessible to students from all income groups and that student debt levels and number of hours worked have remained manageable.

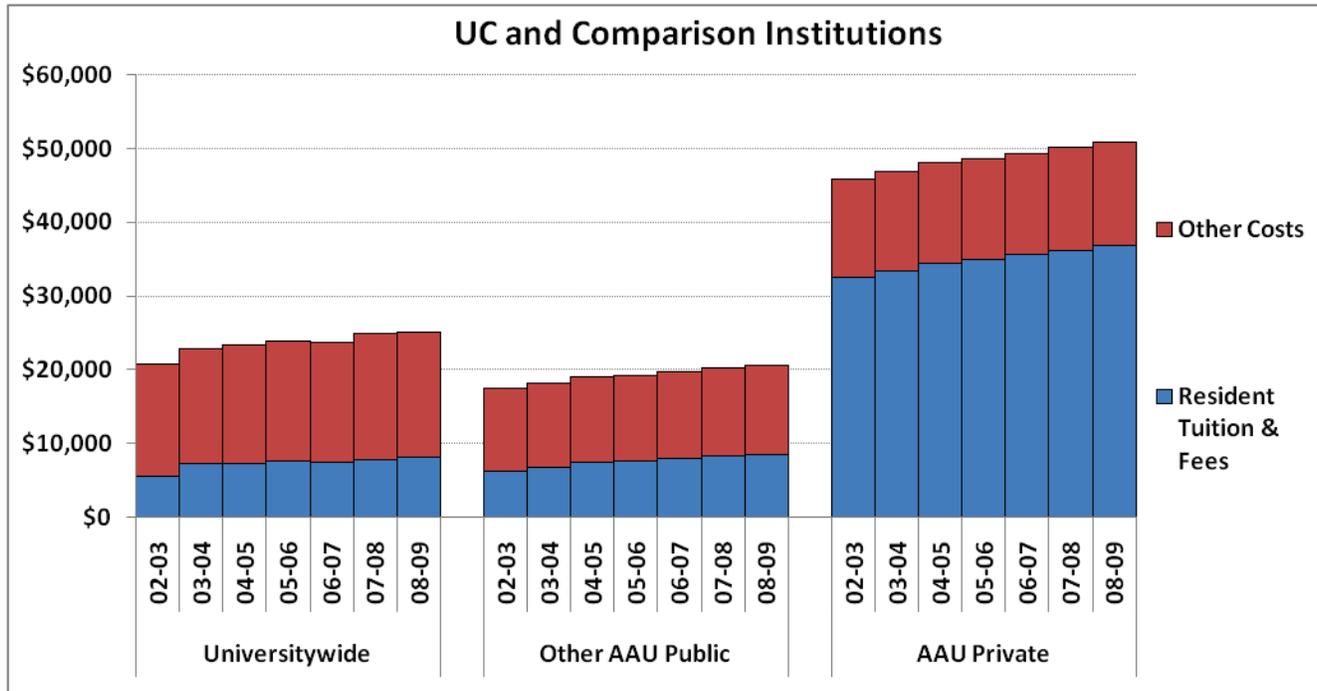
More information about UC costs and financial aid, including links to financial aid estimators provided by each campus, is available at www.universityofcalifornia.edu/admissions/paying.html. Detailed information about trends in UC financial aid can also be found in the University's Annual Report on Student Financial Support (www.ucop.edu/sas/sfs/docs/regents_0809.pdf). The University of California Financial Aid Policy is available at www.universityofcalifornia.edu/regents/policies/6076.html.

LOOKING FORWARD

The University remains committed to meeting the financial need of students. Its Blue and Gold Opportunity Plan, beginning in 2010-11, will ensure that students with household incomes below \$70,000 who qualify for financial aid receive gift aid covering their systemwide fees to their need level. The University also has announced "Project You Can," an ambitious fundraising initiative that aims over the next four years to raise \$1 billion in private support for student aid.

Indicator 14

Total Cost of Attendance, UC and Comparison Institutions, 2002-03 to 2008-09

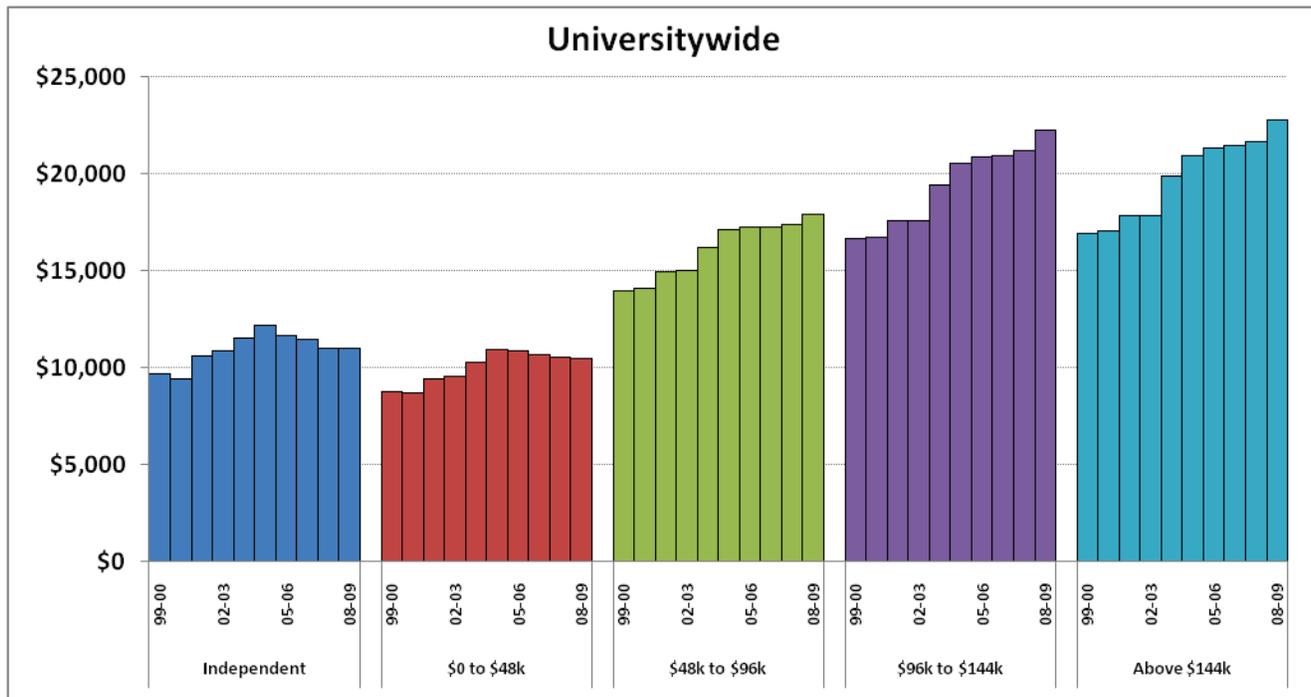


Note: Figures have been adjusted for inflation.

- The total cost of attending college includes tuition and fees, as well as living expenses, books and supplies, transportation, health insurance and personal expenses.
- As this graph shows, the total cost of attendance has risen over the past six years at UC, other AAU publics and AAU private institutions alike.
- In 2008-09, the University’s total cost of attendance for California resident undergraduates was \$25,071; fees comprised 32 percent of this amount.
- The University will continue to carefully monitor its total cost of attendance compared to its peer institutions.

Source: National Center for Education Statistics’ Integrated Postsecondary Education Data System (IPEDS)

Indicator 15
Net Cost of Attendance by Income, 1999-2000 to 2008-09



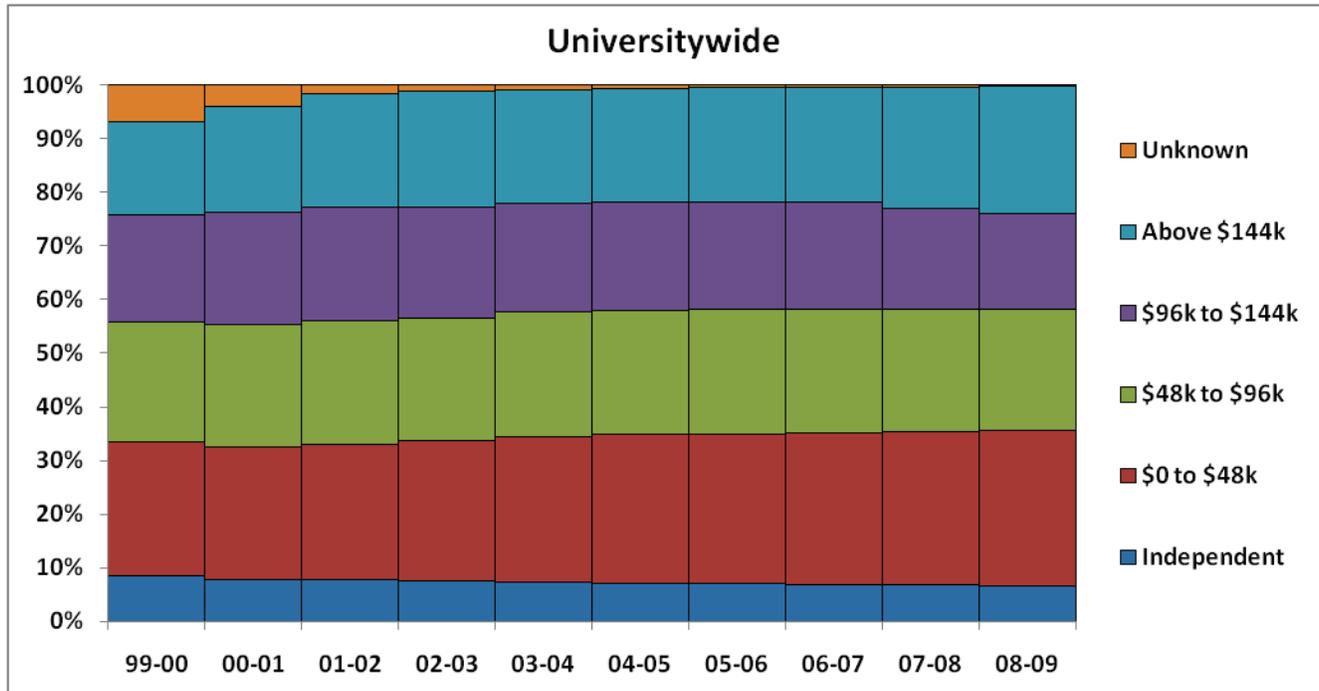
Note: Figures have been adjusted for inflation.

- A general measure of the University’s affordability is its average net cost of attendance. This represents the actual cost of attending the University for undergraduates after taking into account scholarships and grants. This is what students must contribute to their college education, whether from parental contributions or their own resources (e.g., student savings, work or loans).
- Scholarships and grants reduce the “sticker price” of attending UC for students at all income levels, but especially for students with few parental resources (i.e., low-income dependent students and students who, under federal guidelines, are considered to be financially independent from their parents).
- Between 1999-2000 and 2008-09, augmentations to gift aid kept the average increase in inflation-adjusted net cost for low-income students to \$1,705 compared to \$5,836 for students in the highest income category.
- Additional grant aid did not fully cover cost increases for low-income students in part because non-fee costs, such as room and board, books and supplies, etc., increased without augmentations in grants to offset them.

Source: UCOP Corporate Student System

Indicator 16

Distribution of UC Undergraduates by Family Income, 1999-2000 to 2008-09



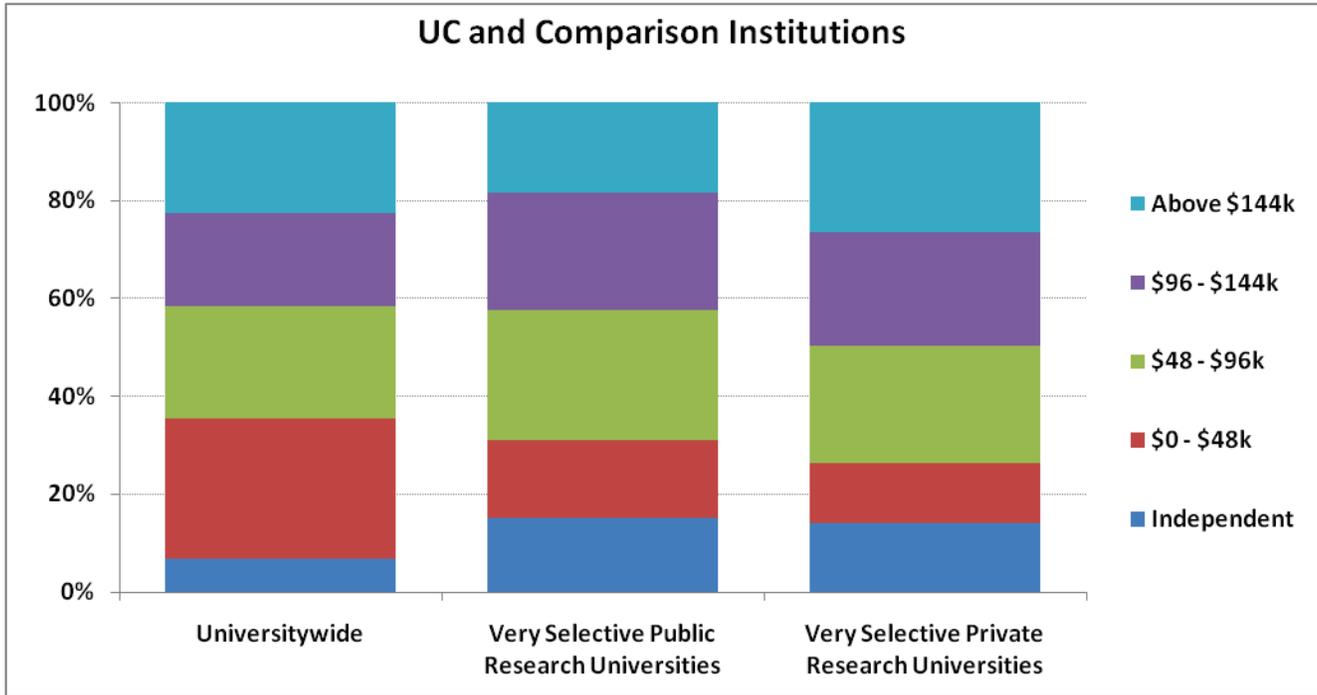
Note: Figures have been adjusted for inflation.

- One important metric for gauging the impact of fee increases on the affordability of the University is the distribution of students by family income over time. If fee increases were causing undue financial hardship, one would expect to see proportionately fewer low-income students enrolling over time as costs went up.
- Despite recent increases in both the total cost and net cost of attendance, the income distribution of all UC undergraduates has changed little since 1999-2000, indicating that the University has remained accessible to undergraduates from all income groups.
- In fact, more than a third of UC students either come from low-income families (with incomes under \$48,000) or, under federal guidelines, are considered financially independent from their parents.

Source: UCOP Corporate Student System

Indicator 17

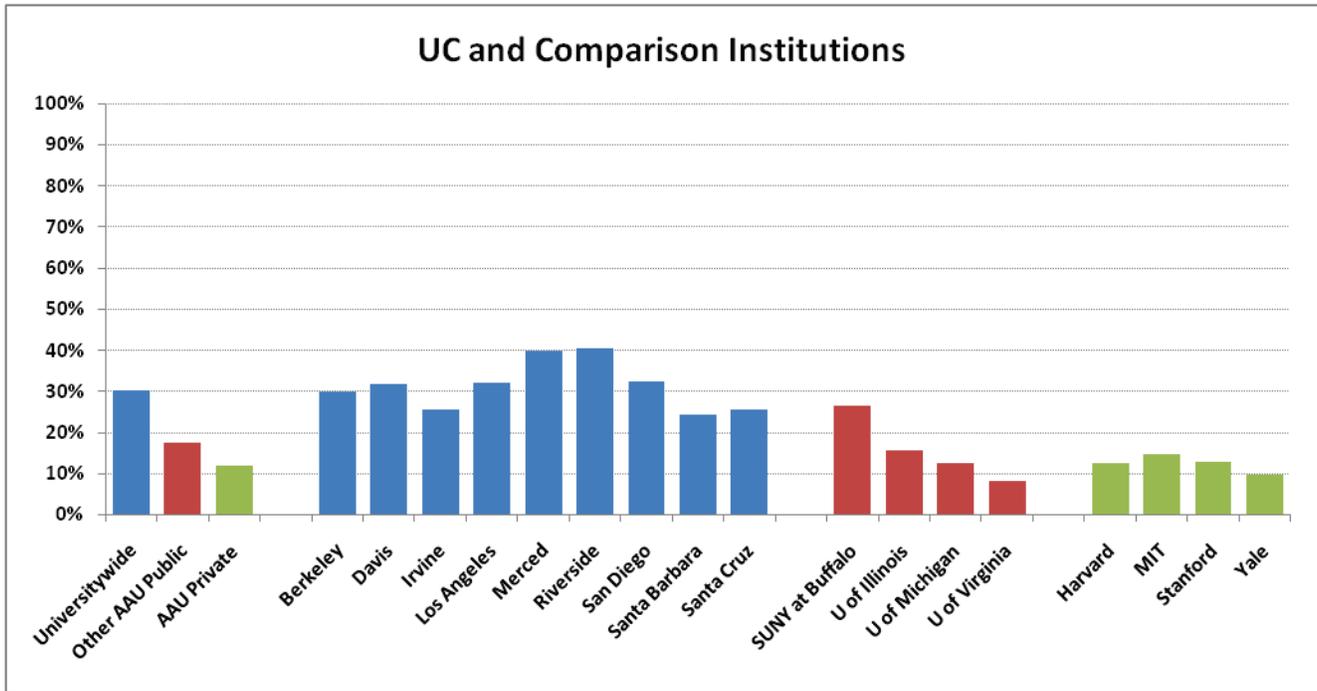
Distribution of UC Undergraduates by Family Income, UC and Comparison Institutions, 2007-08



- As a system, the University enrolls proportionately more low-income independent and dependent students than comparable public or private universities.
- The higher proportion of high-income students at UC compared to other selective public institutions may, in part, reflect state-to-state differences in family incomes.
- Students at very selective private universities are more likely than students at UC to come from upper- and middle-income brackets, consistent with those institutions' higher costs.

Source: UCOP Corporate Student System and National Center for Education Statistics' National Postsecondary Student Aid Survey (NPSAS)

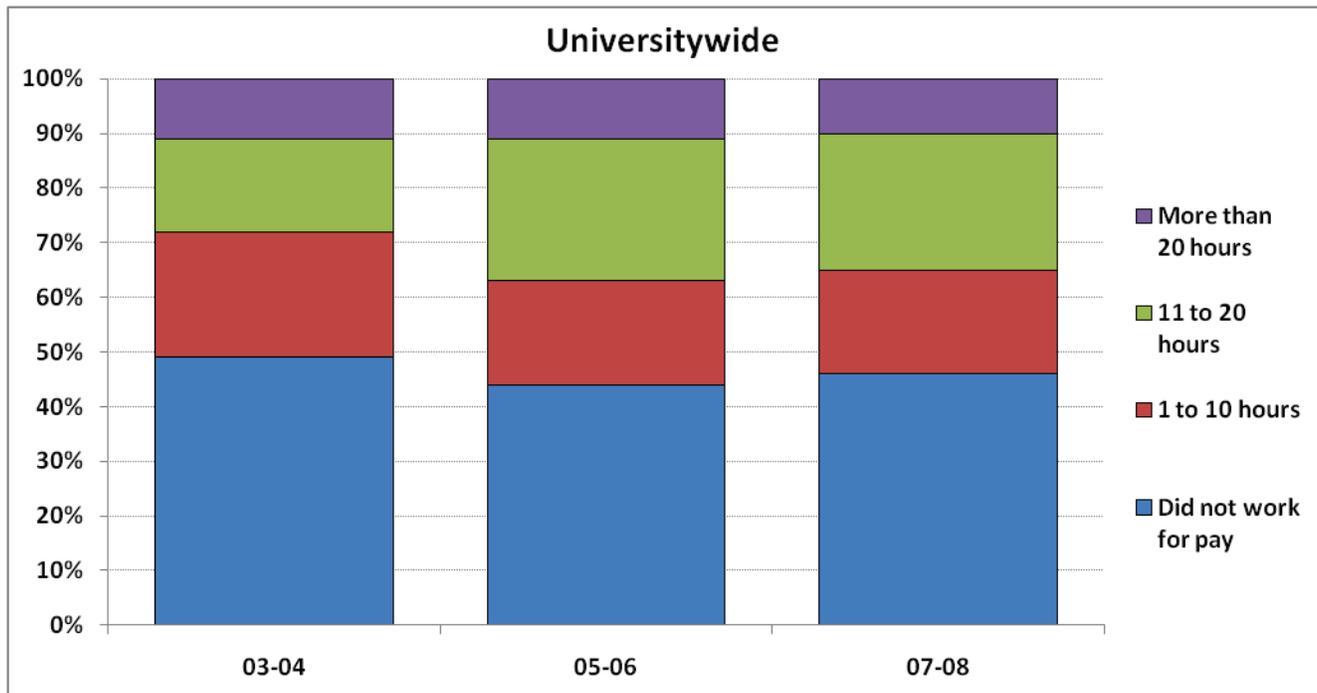
Indicator 18
Undergraduate Pell Grant Recipients, UC and Comparison Institutions, 2007-08



- Pell Grants are awarded by the federal government to low-income students—generally those whose parent incomes are below \$45,000 or who are considered to be financially independent from their parents.
- The percent of undergraduate students with Pell Grants provides a useful means to compare different institutions in terms of how accessible they are to low-income students. It is also useful in comparing institutions in terms of their undergraduates' socioeconomic backgrounds.
- As a system, the University of California enrolls a higher percent of Pell Grant recipients than any other top research university in the country. About a third of all UC undergraduates receive the grants.

Source: National Center for Education Statistics' Integrated Postsecondary Education Data System (IPEDS)

Indicator 19
Undergraduate Hours of Work, 2003-04, 2005-06, 2007-08

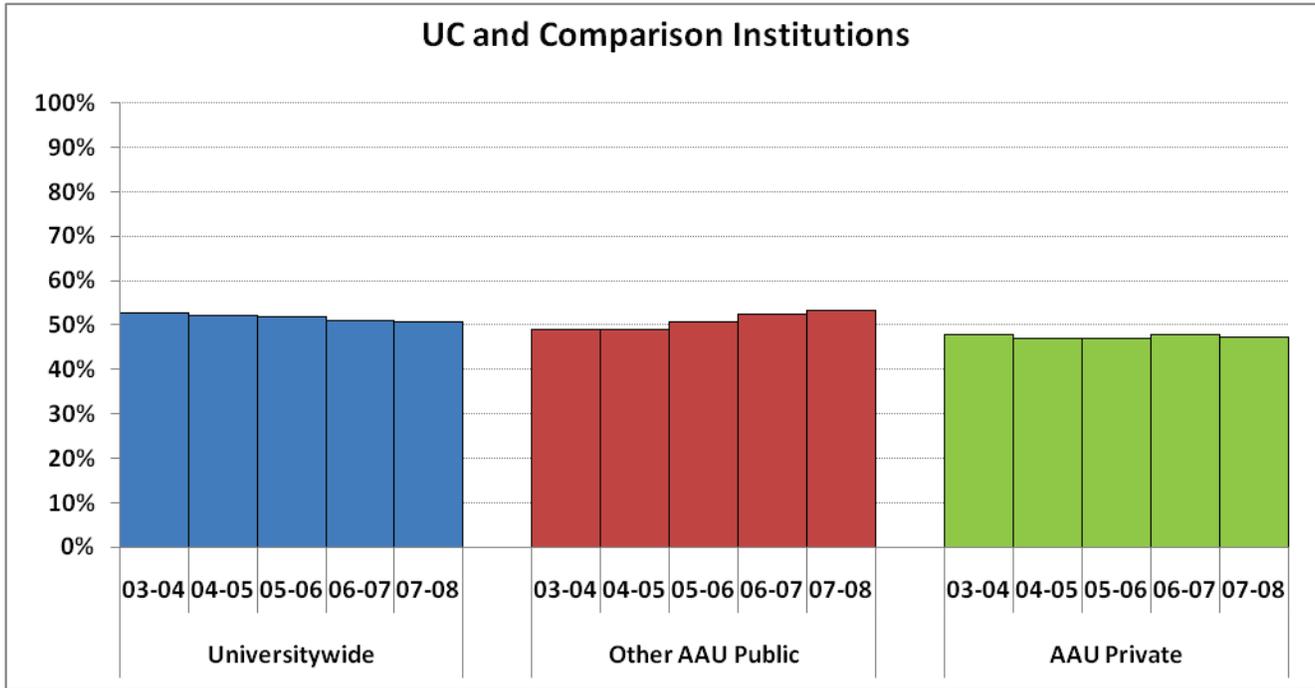


- The University monitors students' self-reported hours of work as one indicator of its affordability.
- The number of students working for pay has risen slightly over the past four years. In 2007-08, about 54 percent of undergraduates worked for pay compared to about 50 percent in 2003-04.
- The University considers that working up to 20 hours a week is manageable for students, but that working more than 20 hours a week is excessive. Excessive work hours during an academic term are often associated with reduced course loads and lower GPAs. About 10 percent of students work more than 20 hours a week, a number which has been relatively constant over the past four years.
- The University's goal is for students to work at a level that allows them to make steady progress toward completion of the baccalaureate degree (i.e., to work no more than 20 hours per week during the academic year, and ideally less than 13 hours per week). See page 6 of the University's Annual Report on Student Financial Support for a fuller discussion (www.ucop.edu/sas/sfs/docs/regents_0809.pdf).

Source: UC Undergraduate Experience Survey (UCUES)

Indicator 20

Percent of Seniors Graduating with Student Loan Debt, UC and Comparison Institutions, 2003-04 to 2007-08

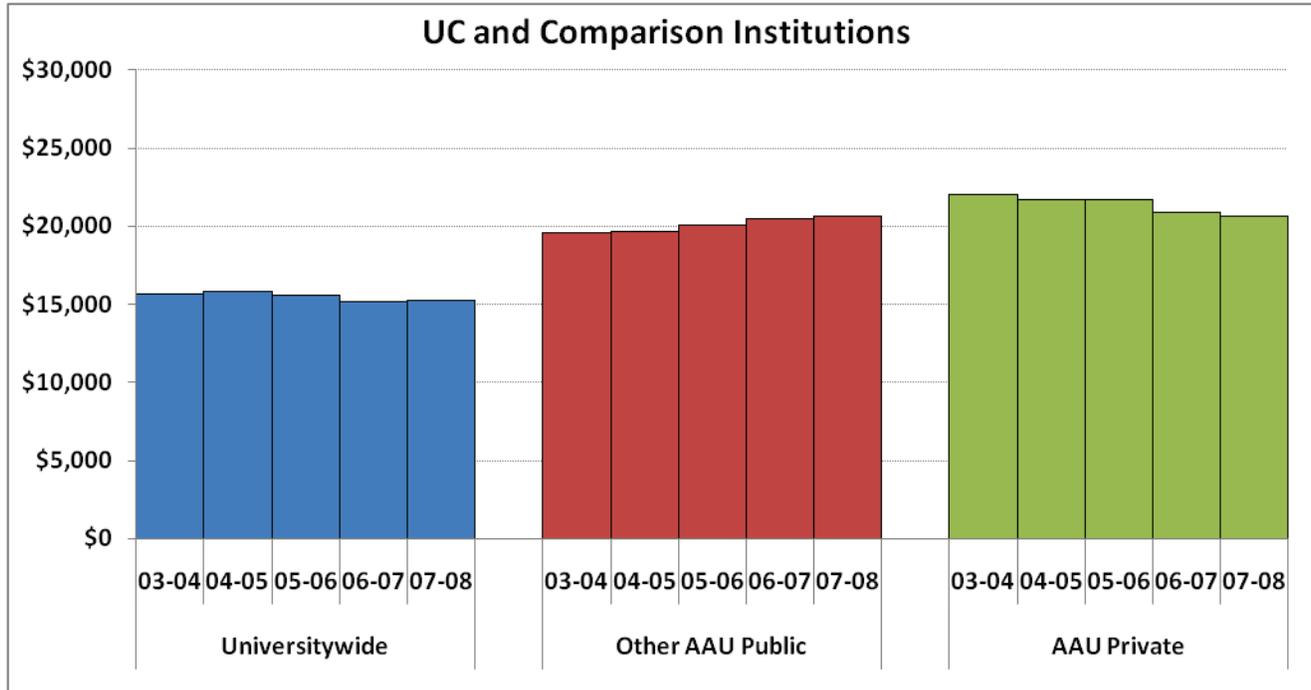


- The proportion of UC undergraduates who take out student loans is comparable to that at other AAU public and private institutions.
- About half of all UC undergraduates who graduated in 2007-08 took out student loans, compared to 53 percent at other AAU publics and 47 percent at AAU privates.

Source: Common Data Set

Indicator 21

Average Cumulative Debt of Graduating Seniors Who Borrowed, UC and Comparison Institutions, 2003-04 to 2007-08



Note: Figures have been adjusted for inflation.

- On average, UC students who have taken out student loans graduate with less cumulative debt than students from other AAU public or private research universities.
- The average student loan debt among UC borrowers in 2007-08 was about \$15,000. This is equivalent to a monthly repayment schedule of about \$170 a month for 10 years; longer repayment periods with lower payments are available.
- A typical interest rate paid by a UC student borrower is about 6.8 percent; however, interest rates individual students will pay can vary depending on their specific loan program.

Source: Common Data Set

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