

Yale Expands Aid to Students

By Carina Zaragoza

Yale University announced an expansion of its financial aid program on January 14, 2008. The new plan aims to provide more assistance to those students who demonstrate the most need. The university's announcement comes a month after fellow Ivy League institution Harvard announced its new financial aid program, which redefined "middle income."

The new policy will be effective for the fall semester of the 2008-2009 academic year. Both incoming freshman and returning students will be eligible for aid under the new program. Overall, the new program will reduce the cost of attending the university by more than 50% for families with financial need.

A major component of the expanded financial aid plan is the assistance the new plan will provide to lower income families. Students from families earning under \$60,000 will effectively pay nothing to attend the university. Conversely, families earning more than \$200,000 will virtually see no aid as the need for these families has been determined to be minimal.

These changes in aid policy will increase Yale's financial aid budget by more than \$80 million annually. This new budget represents the largest amount allocated to the financial aid program in the university's history. The changes include a cap on the increase of tuition, room, and board costs for the 2008-2009 academic year based on the expected level of inflation, 2.2%.

In addition, Yale is increasing the number of students who can qualify for aid. Grants will also be increased, lessening the amount of loans students need to borrow. Students will also see the amount they pay out of pocket decrease, from an average of \$4,400 annually to about \$2,500 per year. This allows students to concentrate on classes rather than having to work excessive hours.

While Harvard's and Yale's expanded financial aid programs are pioneering, the Project on Student Debt has continually made efforts to encourage institutions to reduce or eliminate altogether aid for students from families who earn six figures. The Project on Student Debt works to educate the public about an increasing trend of borrowing to pay for higher education and seeks to identify cost-effective solutions to attend college. The Project has kept a list of institutions, both public and private, that have pledged to reduce the amount of loans their students need to borrow. Yale University is among these institutions.

Yale University believes students should be able to earn a higher education without worrying about the costs, and hopes the expanded financial aid program will help students in this regard.

Sources

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Project on Student Debt
projectonstudentdebt.org