undergraduate student aid
frequently asked questions
Undergraduate Student Aid frequently asked questions

1. How is the university’s campaign, “Cornell Now”, benefiting undergraduate students?

“Cornell Now – 2015” seeks to raise $4.75 billion in support of priorities identified in the university’s strategic plan. Cornell’s signature commitment to “any person... any study” is the heart of the university. To affirm and extend this vital trust, Cornell must secure need-blind access for undergraduate students. Increasing endowment and immediate-use funding for scholarship aid will enable Cornell to offer students a world-class education without the burden of debt. The university is committed to strengthening its need-based undergraduate financial aid program at unprecedented levels. To do so, Cornell seeks to raise $157 million for undergraduate student aid and an additional $25 million for international undergraduate scholarships.

Additional student-centered goals of the campaign include raising funds for educational excellence, program support, and service learning and public engagement, as well as funds to support graduate and professional students.

2. Who receives financial aid at Cornell?

Cornell University awards undergraduate financial aid on the basis of need. Students are admitted to the university based on their qualifications, without regard to their ability to pay for their education. This policy is called “need-blind” admissions. While this practice reflects the egalitarian values that have defined Cornell’s mission since 1865, the costs are significant. Cornell spends considerable resources (including university income from endowment and current-use gifts) on undergraduate financial aid. Ninety-seven percent of the total amount is spent on grant aid, which does not have to be repaid to the university. Some 6,970 students—50 percent of Cornell’s undergraduates—receive some grant aid. Students continue to provide self-help through work-study, summer jobs, and student loans.

3. What are the benefits of and challenges to Cornell’s ability to maintain its need-blind admissions policy?

Keeping Cornell affordable to talented students from all backgrounds is more important than ever, given the economic challenges of many families. There are, however, two major challenges. First, public funding for higher education—at both the state and federal levels—covers substantially less of the cost of higher education than it did 10 years ago. As a result, current tuition at major research universities like Cornell covers only half to two-thirds of what it costs to educate undergraduates. (In effect, each student receives a subsidy to study at Cornell regardless of whether he or she is awarded financial aid.) Second, because Cornell admits students without regard to economic circumstances, the overall cost to Cornell of providing financial aid can vary significantly from year to year. Recognizing the importance of keeping a Cornell education within reach of students and their families, in 2011-12 Cornell increased its financial aid expenditures by 9.5% while increasing tuition by 4.9%.

4. Hasn’t Cornell been raising more funds to support undergraduate financial aid in recent years?

Yes. Generous alumni and friends have increased their support in recent decades, but the need for scholarship gifts has continued to rise. The proportion of Cornell students who receive grant aid has increased to 50 percent from 29 percent in 1987. State and federal government support for financial aid (including grants, loans, and work-study) dropped to just 17 percent of Cornell’s financial aid budget from 52 percent.

5. There has been heightened attention in recent years to the difficulties of many students and their families in meeting the tuition costs at private colleges and universities. What is Cornell doing to address this issue?

Starting in 2008, Cornell expanded its financial aid programs over a two-year period. In 2008-09, the university replaced need-based loans with grants for undergraduates from families with incomes less than $60,000; it capped loans at $3,000 annually for students from families with incomes $60,000-$120,000.

In 2009-10, the program took full effect, replacing need-based loans with grants for students from families with incomes up to $75,000, and capping annual loans at $3,000 for students from families with incomes $75,000-$120,000. Loans were capped at $7,500 for students from families with incomes above $120,000 who qualify for need-based financial aid. In 2011-12, Cornell began matching the need-based financial aid of other Ivy schools for applicants who were also accepted at those schools. And it began striving to match the financial aid for students also accepted at Duke, MIT, and Stanford.

Cornell’s increased commitment to scholarships allows many students to graduate debt free and relieves the least
economically advantaged parents of having to make a contribution. This initiative provides generous benefits to students from low- and middle-income families, but also addresses the needs of all families who qualify for need-based financial aid. These changes are prompting more accepted students to enroll at Cornell, easing the debt burden for current students, and conveying a strong message about the value the university places on socioeconomic diversity within its student body.

6. What has been accomplished since the financial aid initiative was announced in 2008?

The expanded financial aid has resulted in greater access for students from lower- and middle-income families. For example, children from families with incomes less than $75,000 a year pay less to attend Cornell than they did a decade ago. The new policies benefit both low- and middle-income students. Nearly 28 percent of students receiving financial aid are from the lowest 40 percent of household incomes nationwide—those earning less than $48,000 per year. More than 42 percent of students receiving aid come from families earning $74,000–$114,000.

The enhanced financial aid has also made the student body more geographically and ethnically diverse. For example, students in the Class of 2015 hail from 48 states as well as Washington, D.C., and Puerto Rico, and more than 36 percent identify themselves as students of color. Strong financial aid packages support highly qualified students regardless of their social status, ethnicity, or geography. That diversity attracts a broader pool of candidates, which in turn enhances Cornell’s selectivity.

7. Why isn’t Cornell doing even more to address the rising costs of attending the university?

Many of its peer institutions have taken significant measures to make their education more affordable, but Cornell’s efforts are notable for two reasons. First, Cornell has a large undergraduate population that requires financial aid. In fact, Cornell’s financial aid population is larger than the entire undergraduate student body at some peer institutions. In addition, Cornell enrolls a greater number and higher percentage of students from families in the lowest income groups than most of its peers. Students from families that have annual incomes below $45,000 qualify for federally sponsored Pell Grants. In fall 2011, some 2,447 undergraduates received Pell Grants, 17.6 percent of the university’s undergraduates.

Second, Cornell is providing additional aid to students and their families even though it is much less wealthy than some other institutions. The total size of Cornell’s endowment is a key element in supporting the financial aid packages that undergraduate students receive. Before the financial crisis, in 2007, Cornell’s endowment ranked 18th by total size but only 73rd on a per student basis, far below almost all of its peers. It is the per student number that is the most relevant to the cost of need-based financial aid. Cornell has taken care to target its new financial aid policy to the students and families who most need assistance with college costs.

8. How does Cornell fund financial aid for undergraduates?

In 2010-11, Cornell’s undergraduates received more than $246 million in financial aid, including grants, loans, and work-study. Sixty-eight percent of this came from the university’s general operating budget. The other 32 percent came from income from university student aid endowment gifts (12.5 percent), a combination of federal and state funds (17 percent), and various external sources (2.5 percent). Fifty percent of the student body receives grant aid directly from Cornell.

9. What do typical financial aid packages look like under the new policy?

The chart below demonstrates the impact of Cornell’s new financial aid policy on students from families with two representative income and asset levels:

<table>
<thead>
<tr>
<th>ANNUAL FAMILY INCOME</th>
<th>$50,000</th>
<th>$118,000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Parent/student contributions</td>
<td>$3,200 (summer savings, no parent contribution)</td>
<td>$21,200 ($3,200 student, $18,000 parent)</td>
</tr>
<tr>
<td>Work study</td>
<td>$2,000</td>
<td>$2,000</td>
</tr>
<tr>
<td>Grant aid</td>
<td>$52,100</td>
<td>$31,100</td>
</tr>
<tr>
<td>Student loans</td>
<td>$0</td>
<td>$3,000</td>
</tr>
<tr>
<td>Loans after four years</td>
<td>$0</td>
<td>$12,000</td>
</tr>
</tbody>
</table>
10. What is the distribution of financial aid awards among student recipients at varying need levels?

Income Ranges for Families of Cornell Students Receiving Need-Based Aid

<table>
<thead>
<tr>
<th>Percent</th>
<th>Income Range</th>
</tr>
</thead>
<tbody>
<tr>
<td>0%</td>
<td>$0-37,718 Lowest 20%</td>
</tr>
<tr>
<td>10%</td>
<td>$37,719-65,576 Lower Middle 20%</td>
</tr>
<tr>
<td>20%</td>
<td>$64,577-96,764 Middle 20%</td>
</tr>
<tr>
<td>30%</td>
<td>$96,765-132,482 Upper Middle 20%</td>
</tr>
<tr>
<td>40%</td>
<td>$132,482-Over 132,482 Upper 20%</td>
</tr>
</tbody>
</table>

11. What size gift is needed to endow a scholarship? What funding opportunities are available?

Endowed scholarships can be as large as a donor’s resources and generosity will allow. Endowments make a powerful impact over time, increasing in value each year as a result of investment returns.

Selected Giving Opportunities

A gift of $1 million fully supports one student beginning with the first year in which the gift is made. As the endowment grows over time, its impact will increase by assisting more students. A $500,000 endowed gift provides annual support to one student every year at an amount that is equivalent to the average grant award Cornell offers in its student financial aid packages. An endowed gift of $100,000 provides partial support for one Cornell student every year.

The name you choose for your scholarship may be your own, your family’s, a respected teacher’s, a much loved relative’s or friend’s, or a son’s or daughter’s. An endowed scholarship becomes a lasting tribute to the person whose name it bears and can always be augmented. In some families, adding to a scholarship fund established years ago becomes a multigenerational tradition. Scholarships can be directed to students in one college or be available to any student at Cornell.

12. How can I support current needs?

You may also choose to support scholarships by making a gift to the Cornell Annual Fund for Student Aid or by establishing a term scholarship. The Cornell Annual Fund for Student Aid represents one of Cornell’s highest priorities and serves as a critical and immediate source of funding for student aid across the university. Gifts of all sizes are welcome. Term scholarships can be created with a gift of $10,000 or more and provide support for one student for one year. Term scholarships are awarded on the basis of student need, and donors may not restrict or direct their gift to a specific student, college, or area of study. All term scholarship donors will receive a profile of their student recipient for one year.

13. Who at Cornell can I contact for more information?

Numerous staff members are happy to answer your questions as the campaign moves forward. Please feel free to contact:

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Learn more about the direct impact scholarship gifts have on students at now.cornell.edu/scholarships