

Financial Aid

Questions Frequently Asked By Donors

The largest portion of Brown University's Campaign for Academic Enrichment is not earmarked for new buildings (however beautiful), new programs (however exciting), or even new technology (however cutting-edge). Instead, \$400 million is being sought for undergraduate financial assistance. Why? Because when you support financial aid, you are not only transforming the lives of the students who receive it, you are transforming the entire Brown community. With a need-blind admissions policy now in place, as well as enhanced financial aid packages, we're expanding that pool of students, significantly broadening *everyone's* education; we're stronger and richer for their presence.

An Overview: How it works

How will Brown's enhanced financial aid packages, which took effect in the 2008-09 academic year, reduce the burden of college debt for lower- and middle-income families?

- All undergraduate financial aid recipients with total parent incomes less than \$100,000 no longer have a loan component in their awards. Loans have been replaced with scholarship funds. Students with family earnings above \$100,000 have a significant reduction in loans.
- Families with total parent earnings of less than \$60,000 and assets less than \$100,000 are no longer required to make a contribution toward the cost of education.
- Families with total parent earnings of less than \$60,000 and assets greater than \$100,000 have significantly reduced contributions.
- Students are now able to use outside scholarships to eliminate all of the student-effort components in their awards, including the summer savings expectation.

What impact has need-blind admissions and a commitment to reducing families' loan indebtedness made on Brown's budget?

Need-blind admissions have taken financial considerations out of the admissions process: we've sent a signal that we want the very best students, regardless of their ability to pay. And the University's enhanced scholarships ensure that students from lower- and middle-income families won't graduate from Brown with a prohibitive burden of college debt. Sustaining our need-blind admissions policy and enhanced scholarship commitments increased the University's financial aid budget from \$57 million in 2007 to almost \$70 million in 2008 and requires that we intensify our financial aid fundraising. Giving financial aid—whether endowing a scholarship or contributing to the Brown Annual Fund—is more than just a means to an education. It is an investment in talent, an opportunity to touch a life, a family, even an entire community. The students we admit will go forth and change the world.

How is financial aid determined?

Qualified students are admitted into Brown without regard to their families' financial circumstances and the university guarantees to meet the full financial need of all students throughout their Brown careers. This "need-blind" admissions policy—implemented with

the class of 2007—ensures that students from a wide variety of backgrounds and perspectives have the opportunity to achieve a university education. Financial aid is awarded only after a careful assessment of each family’s ability to pay, and is *not* offered based on academic achievement, athletic ability, or any other form of merit. On an annual basis, student need is evaluated and re-evaluated to discern whether and what kind of financial aid may be needed in order to complete studies at Brown.

How is the financial aid package structured?

The total financial aid equals the student’s financial need. It is important to keep in mind this equation: **Cost of Attendance – Expected Family Contribution = Financial Need.** Financial aid is a partnership, drawing on the combined resources of students and their families, federal and state governments, and the University and its donors. The result is a comprehensive package of scholarships, loans, and term-time work.

What percentage of Brown students qualify for financial aid?

More than 40% of Brown students—about 2,360—receive scholarship assistance from the university; the percentage varies slightly from year to year.

Can you give me an example of the kind of enhanced financial aid award Brown now offers?

A family of four with a total income of \$53,000 and \$127,000 in assets, with one student attending Brown as an incoming freshman, could expect this type of financial aid package for 2008-09:

- \$ 4,790 from parent(s),
- \$ 2,300 from student’s savings and summer earnings,
- \$34,550 in scholarships (from Brown resources, including income from endowment funds),
- \$ 5,150 in student loans

This package represents a \$6,470 increase in University Scholarship and a decrease of \$22,800 in debt at graduation from the typical 2007 – 08 financial package.

Are middle-class students being left out of receiving financial aid?

Financial aid is always tailored to bridge the gap between the family’s resources and the cost of education. Many of Brown’s financial aid recipients come from middle class backgrounds. For any family, paying for higher education is a serious commitment, so we help all families plan carefully as they undertake the costs of four years at Brown.

What is the Sidney Frank scholarship fund and what impact has it made on students needing financial aid?

The late philanthropist Sidney Frank—who himself had to leave Brown because of financial considerations—donated \$100 million to the University to help students from families who have “limited financial resources” (often earning less than \$30,000). The Sidney Frank Scholars, because they are some of the students with the highest level of financial need, have the highest levels of outright aid. Even with Mr. Frank’s gift, Brown still needs to raise \$300 million — two-thirds of the total needed for financial aid. That amount will assure that scholarships are available for generations to come.

**What do we say to students or families who say it's too expensive to attend Brown?
There are two different but equally correct answers to this question.**

The first is this: The financial obligations associated with attending *any* school of higher education can be daunting, but *all* college is an investment that lasts a lifetime. Brown thinks the experience is well worth what it costs. Because it is, first and foremost, the family's responsibility to fund their child's education, families need to decide whether it is worth the investment to *them*. In all cases, though, when a family can't afford to pay, we support them from our funds.

The second answer is this: How much is it costing *you*? It doesn't matter, really, whether Brown's annual fee is \$25,000 or \$45,000. What matters is what the cost will be to *you*. Brown is committed to providing 100% of the demonstrated financial need to all eligible students. Therefore, if a student's family has little or no resources, that student will be attending Brown at much less cost to him or her than a student whose family can afford to make a larger investment in education.

Options and Preferences

Can I give a scholarship to someone in a particular concentration or someone from my home state?

Recognizing that Brown's financial aid package is determined by need alone, a scholarship based *solely* on a particular skill or geographic area is not permitted. However, donors creating endowed scholarship funds may express a *preference* that the student recipient be from a particular geographic area, concentrating on a certain academic discipline, pursuing a particular extracurricular interest, and so on.

Can I give an athletic scholarship?

Brown is a member of the Ivy League, which does not allow scholarships to be awarded based solely on athletic ability. Those with athletic ability are admitted on a need-blind basis along with all other potential students. If they demonstrate need, they will receive aid based on that need. Donors may express a preference that the student be engaged in athletics.

What is the difference between restrictions and preferences?

At the time the fund is established, the donor will be asked to indicate a tier of preferences so that the financial aid officer can match a student to the fund. An example would be: first preference, a student from the greater Dallas area; second preference, Texas; third preference, the South or Southwest. Preferences should always be broad enough that the funds can be awarded on a regular basis. Brown will then make every effort to award the scholarship to the student who most closely matches the criteria in the order listed. However, if no direct matches are found, the scholarship monies will be given to a student whose need most closely matches the amount of money available.

A *restriction*, however, is significantly different. If, for example, a restriction was in place that the student must be a descendent of J. R. Ewing from the greater Dallas area, and no needy student matched those criteria, the monies would not be awarded that year. Restrictions of

this sort, since in many cases they benefit neither the student nor the donor, are no longer written into scholarship fund agreements.

May I choose the student who receives my financial aid?

The Financial Aid Office reserves the right to select the recipient(s). Rest assured that the professional staff making the selection are both caring and qualified, and will do their best to make sure that a bright, deserving student will receive your assistance.

How many students will my endowed scholarship support each year?

The number of students supported will vary based on the amount of aid granted to each and the amount of income generated by your fund.

Can my endowment support the same student for all four years?

Aid packages are renewed based on the resources of the student, his or her parents, and the University. Assuming that the student remains in good standing with the University, and that need is demonstrated each year, your fund may be awarded to the same student for all four years.

Why should I give my money to the University?

There are probably as many reasons to invest as there are donors. Some former financial aid recipients take pride in “giving back” what they have been given; other individuals, recognizing the great good they can accomplish, are pleased to share some of their resources made possible by an exceptional education. At bottom, most give because they’ve had a *relationship* with Brown; a cherished, connected feeling that persists long after their student days are past. So, when you give to the university, you’re touching lives, your own included.

How can I create a “named” scholarship?

Financial aid named after an individual, family, or corporation can be one of three types: an endowed scholarship (starting at \$250,000), an endowed financial aid fund (\$100,000), or a current-use Brown Annual Fund Scholarship (\$80,000). Your named scholarship fund or financial aid fund each provide perpetual support to one or more qualified students, with the named scholarship fund generating more substantial support. Your named Brown Annual Fund scholarship establishes a four-year scholarship supporting one student during his/her time at Brown.

Are there other giving options?

Donors wishing to support Brown’s financial aid program can give to the general endowment fund for financial aid.

Reporting and Administration

How will the student who receives my scholarship funds be notified of my contribution?

That depends. If you have established either an endowed scholarship, an endowed financial aid fund, or a Brown Annual Fund scholarship, the student will receive a letter notifying him or her of the scholarship source. If you have donated, instead, to the general scholarship fund, your money will not be “tracked” to any specific student. The student will simply

know that a generous member of the Brown community made it possible for him or her to attain an education.

What will I be able to find out about the student(s) who receive scholarship money from me?

The donor of an endowed scholarship (\$250K+) receives a detailed report on the recipient(s); the donor of an endowed financial aid fund (\$100K) receives a profile of a representative student supported by financial aid.

May I meet with my scholarship student?

Absolutely! Students frequently welcome the opportunity to thank donor(s) in person; donors, in return, are often eager to hear of students' progress. Brown University staff will facilitate any first conversations. After that, we ask that you simply be respectful of the student's comfort level and time constraints.

How does Brown manage the scholarship monies received?

Prudently, and with utmost concern for the future. Brown takes its fiduciary responsibility to current and future generations of students very seriously. The Brown University Investment Committee, working closely with a professional investment office, has designed a portfolio for all seasons in order to fulfill the mission of providing fiscal support to the University in perpetuity. Donors of endowed funds receive complete financial summaries (including the market and book values of the fund and the amount of income generated).