

## Financial Aid Briefing

### EXECUTIVE SUMMARY

This briefing provides an overview of financial aid and how Oregon State utilizes it as part of a pricing and recruitment strategy that supports the goals of Prosperity Widely Shared by intentionally managing and increasing institutional support year after year. Managing tuition discount rates considers providing access to students and the competitiveness and long-term financial stability of the university.

Key takeaways of the briefing include:

- “Sticker price” is not what most students pay. Net price (after grants and scholarships) is what matters to families.
- OSU grants and scholarships are the primary pricing tools used to discount tuition, attract students and provide access.
- Financial aid awards have steadily increased as part of a recruitment strategy to remain competitive and provide access to students.

### BACKGROUND

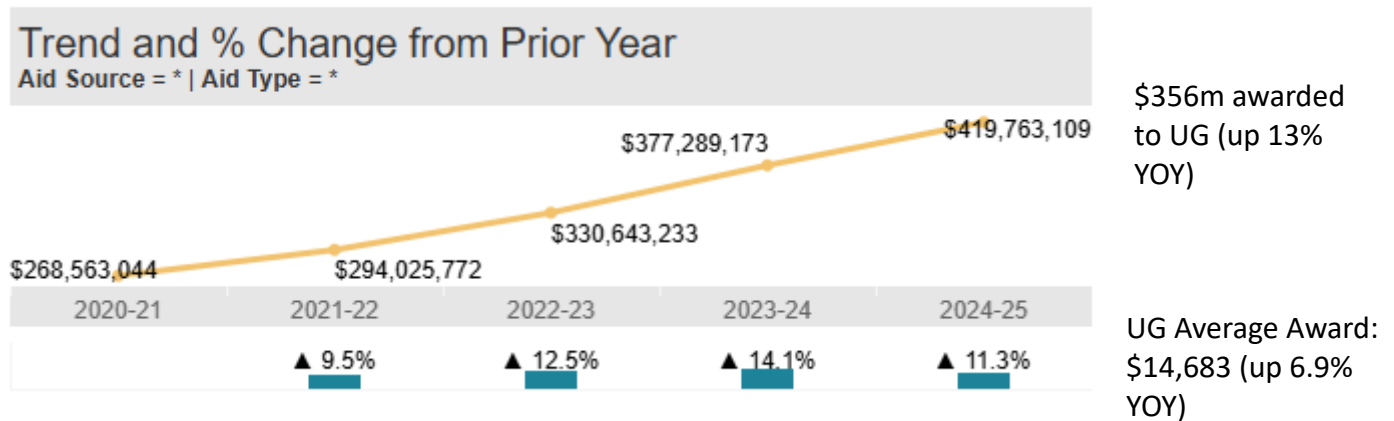
Financial aid is funded through a mix of federal, state, institutional, and external sources. Aid packages are built using a matrix that accounts for residency, academic preparation, and financial need, allowing consistent and data-informed allocation of grants, scholarships, loans, and work-study. Resident students rely more heavily on need-based grants, including Pell and state aid, while non-residents receive more merit-based scholarships to offset higher tuition; programs such as the Western Undergraduate Exchange (WUE) further support regional recruitment. The mix of gift aid versus loans is a key strategic lever, as increasing support for students with the greatest financial need is closely tied to persistence and completion outcomes.

Of first-year resident students, 27% are eligible for Pell grants, which indicates the level of financial need. Last year, 34% of undergraduate students at OSU took out loans. On average, those students graduated with a median debt of \$21,000. That number has held relatively stable over time and remains below the national average for four-year public universities.

### FINANCIAL AID AT A GLANCE

OSU awarded \$356 million in undergraduate financial aid in FY25. That is a 13% increase over the prior year and continues a sustained upward trend since FY21, when total disbursed aid across all students was \$268.6 million. The average award increased 6.9% over the previous year and totaled \$14,683.

Figure 1. Total Aid Trend and Percent Change from Prior Year



**FUND SOURCE**

Federal aid is the largest single source, but it is also the least flexible — it flows to students based on need and program rules, not on OSU's strategic choices. Aid from the state of Oregon, while meaningful for resident students, is consistently below the national average on a per-student basis. That gap puts more pressure on OSU's institutional budget. Institutional aid grew by 12.3% year over year, which reflects deliberate investment, not just enrollment growth.

Table 2. Disbursed Aid by Fund Source — FY2024-2025 vs. FY2023-2024

Fund Source	FY2024-2025 amount disbursed	# students that received aid in FY2024-2025	FY2023-2024 amount disbursed	# students that received aid in FY2023-2024
Federal	\$213,754,272	17,380	\$191,841,266	16,293
Institutional	\$141,097,727	19,455	\$125,591,382	19,425
State	\$33,598,418	5,353	\$30,334,677	4,866
External	\$31,345,922	1,737	\$29,547,341	1,727
<b>Grand Total</b>	<b>\$419,796,338</b>	<b>27,852</b>	<b>\$377,314,665</b>	<b>26,704</b>

Breakdown of percentages:

- \$419.8 million total disbursed aid, up 11.3% from FY24. Of this total:
  - 34% was institutional financial aid (OSU E&G revenues committed to aid);
  - 51% was federal aid
  - 8% was state aid, and
  - 7% was from external scholarships (largely from private donations)

**AID BY RESIDENCY AND TYPE**

Resident students receive significantly more in grants as need-based programs like Pell and the Oregon Opportunity Grant. In order to be competitive and attract non-resident students, OSU awards more in merit scholarship dollars to this group.

*Table 3. Dispersed aid by residency and type — FY2024-2025 vs. FY2023-2024*

Category	Resident	Non-resident
Grants	\$80,275,597	\$27,481,092
Scholarships	\$45,819,847	\$76,374,692
Loans	\$88,319,119	\$99,547,416
Employment	\$1,319,417	\$659,158

Breakdown of percentages of distributed resources across all undergraduates in FY25:

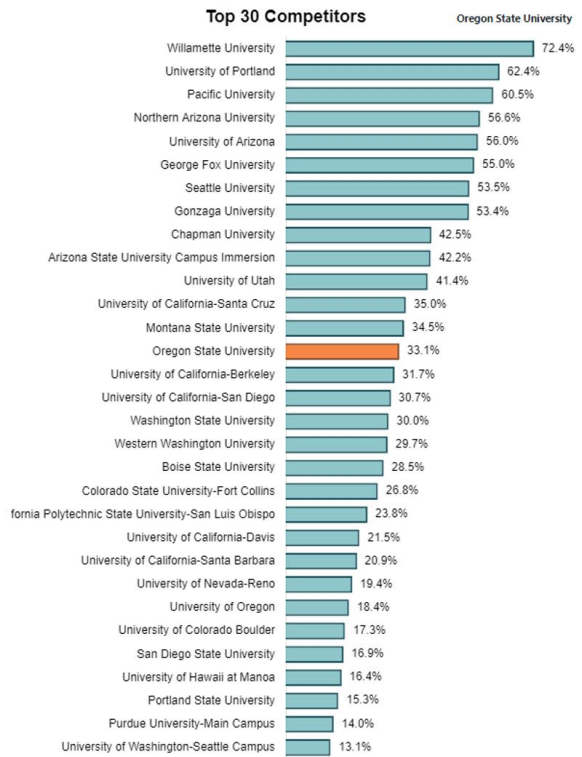
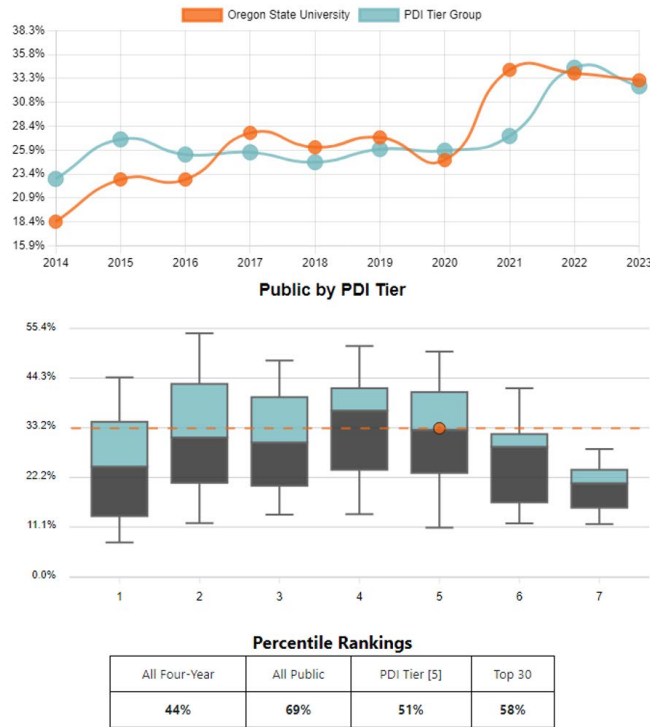
- 44.8% loans
- 29.1% scholarships
- 25.7% grants

**AID STRATEGY AND DISCOUNT RATE MANAGEMENT**

Financial aid is a student-support function and a pricing and enrollment strategy. The first-year institutional tuition discount rate — the percentage of gross tuition revenue returned to students as institutional grants and scholarships — is one of the key metrics for gauging whether OSU's aid strategy is working. A rate that is too low leaves OSU uncompetitive on price. A rate that is too high erodes the net tuition revenue OSU needs to operate.

**Figure 2. First-Year Institutional Tuition Discount Rate — OSU vs. PDI Peer Group and Top 30 Competitors**

**[7.20] First-Year Institutional Tuition Discount Rate**



Discount rates are managed to protect long-term financial sustainability while targeting aid where it produces measurable gains in support of Prosperity Widely Shared. OSU's discount rate sits at 33.1% among its top 30 competitors, placing it in the middle of the field. Oregon's private competitors — Willamette, University of Portland, Pacific — run discount rates well above 60%. OSU is not in a race to match those rates. The goal is to be competitive keeping the discount rate at a level that supports long-term sustainability.

Consideration of residency, academic profile and financial need inform financial aid offers. Matriculated vs non-matriculated status is also considered as part of a matrix used to apply consistent, scalable awarding logic and what mix of aid students receive. Non-resident students from WUE states (members of the Western Interstate Commission for Higher Education, WICHE) are eligible for WUE packaging consideration, which is set at 150% of in-state tuition. This translates to an \$18,000 award and makes OSU's price substantially more competitive for non-residents from western states.

**NEED-BASED AID STRATEGY FY2025 - 2026**

Need-based awards are set to hit a target percentage of unmet need within each packaging group. That target is calibrated using pricing models that predict enrollment likelihood — the point where additional aid generates meaningful yield gains without over-discounting. Two hypothetical examples show how federal, state, and institutional resources layer together in a typical package:

**RESIDENT EXAMPLE**

Academic Rank 4 | Need Rank 6 (\$33,062 – \$36,762 in need) | 53% need-met target

Aid Component	Amount	Type
Pell Grant	\$7,395	Federal gift aid
Oregon Opportunity Grant	\$7,800	State gift aid
Finley Scholarship	\$3,000	Institutional gift aid
Need-Based Grant	\$1,281	Institutional gift aid
Total Gift Aid	\$19,476	
Federal Direct Loan	\$5,500	Self-help
Federal Work-Study	\$4,500	Self-help
Remaining (Parent PLUS, payment plan, other scholarships)	\$7,286	Family / other

**NON-RESIDENT (NON-WUE) EXAMPLE**

Academic Rank 5 | Need Rank 4 (\$23,341 – \$40,640 in need)

Aid Component	Amount	Type
Pell Grant	\$6,500	Federal gift aid
Provost Scholarship	\$16,000	Institutional gift aid
Need-Based Grant	\$1,021	Institutional gift aid
Total Gift Aid	\$23,521	
Federal Direct Loan	\$5,500	Self-help
Federal Work-Study	\$4,500	Self-help
Remaining (Parent PLUS, payment plan, other scholarships)	\$8,567	Family / other

In both examples, the institutional piece — scholarships and need-based grants funded from OSU's own budget — is doing significant work to make enrollment financially viable.

**STUDENT DECISION-MAKING AND AFFORDABILITY**

OSU surveys admitted students each year to understand how price and affordability factor into their college decisions. The 2025 survey breaks out responses from students who enrolled and students who were admitted but chose elsewhere.

A few findings worth noting: among students who enrolled, 73% rated OSU's value compared to their runner-up school as 'slightly better' or 'far better.' Among students who did not enroll, 58% said OSU's value was 'slightly worse' or 'far worse.' That gap tells us something real: students

who choose OSU believe they are getting value for the price. Students who leave often do not. 'Securing a good job with career advancement' and 'repayment of student loans' ranked among the top affordability concerns for both enrolled and non-enrolled students. 'Parents assuming too much debt' was circled as a deciding factor by 34% of non-matriculated students. These signals matter for how OSU communicates the value of its aid packages — not just the dollar amount, but the return on investment.

**NEXT STEPS**

The Financial Aid Briefing will be discussed at the March 12 meeting of the Academic Strategies committee.

## Addendum

### Financial Aid Primer

---

**Financial aid** is money provided to help bridge the gap between a student's resources and the amount needed to pay the cost of attending college. The primary responsibility for meeting the cost of a college education rests with the student and family to the extent they are able to pay. A formula established by Congress, takes into account family income and assets. When students [apply](#) for financial aid at Oregon State University, they are applying for gift aid and self-help programs.

**Grants** do not have to be repaid and are based on financial need.

**Loans** are borrowed money that is repaid with interest to the lender. Educational loans usually carry a low interest rate and offer a grace period with repayment generally beginning within six months after graduation or when the student stops attending school at least half time. Student loans are considered financial aid because of the special interest rates.

**Scholarships** are awards based on many factors such as academic merit or academic merit and financial need. They do not have to be repaid. For first year and transfer students, Oregon State University awards University Scholars Program Scholarships based upon the OSU Application for Admission, official transcripts and official SAT or ACT test scores. Students can also apply for OSU departmental scholarships through the ScholarDollars portal and can check with their department for further information on scholarship opportunities.

**Student Employment** enables students to earn money toward their educational expenses while in school by working part time. This can either be a regular employment position or a federally subsidized [Work-Study](#) one.

### COST OF ATTENDANCE

The cost of attendance (COA) is the financial aid student budget — OSU's published estimate of what a full-time undergraduate student will spend in an academic year. It includes both what students are billed directly (tuition and mandatory fees) and what they spend on their own (housing, food, books, transportation, personal expenses). COA matters because it anchors the calculation of financial need. The higher the COA, the larger the potential gap between what a student can pay and what OSU costs.

Most students pay significantly less than the published COA. Grants and scholarships reduce the actual out-of-pocket cost considerably, especially for students with the lowest incomes.

The gap between the resident and non-resident total — \$25,167 — is driven entirely by tuition. OSU's pricing strategy for non-resident students, including WUE packaging, is designed to close enough of that gap to keep OSU competitive as a recruiting option.

**THE BASIC CALCULATION**

Everything in financial aid flows from one equation:

$$\text{Cost of Attendance (COA)} - \text{Student Aid Index (SAI)} = \text{Financial Need}$$

OSU uses the COA as the total budget estimate for a student's academic year — tuition, fees, housing, food, books, transportation, and personal expenses. The SAI comes from the FAFSA and represents a measure of a family's financial capacity. The difference between those two numbers is the student's demonstrated financial need. Financial aid is then packaged to help close that gap.

A few things to keep straight: the COA is not a bill. Only tuition and fees are billed directly by OSU. Everything else is an estimate. And the SAI is not a bill either — it is an index used to calculate eligibility, not a number families are expected to write a check for.

*Undergraduate Cost of Attendance — FY2025-2026 (3 Terms, Full-Time)*

Component	Resident	Non-Resident	Notes
Tuition & Fees (15 cr/term)	\$15,261	\$40,428	Billed directly by OSU
Living (Food & Housing)	\$17,205	\$17,205	Often billed by OSU
Books, Supplies, Personal & Transportation	\$4,296	\$4,296	Estimated; not billed by OSU
Total COA (3 Terms)	\$36,762	\$61,929	Full published budget

The gap between the resident and non-resident total — \$25,167 — is driven entirely by tuition. OSU's pricing strategy for non-resident students, including WUE packaging, is designed to close enough of that gap to keep OSU competitive as a recruiting option.

**WHAT 'STICKER PRICE' ACTUALLY MEANS**

OSU's published COA is the sticker price — \$36,762 for residents and \$61,929 for non-residents in FY2025-2026. Most students pay significantly less than that because grants and scholarships reduce their actual out-of-pocket cost. When you hear 'net price,' that means COA minus grants and scholarships. Net price is the number families actually care about when deciding whether OSU is affordable.

First-generation students and families unfamiliar with how higher education pricing works often see the sticker price and stop there. That is a real access problem — one that OSU's financial aid communications strategy has to actively address.

**THE TYPES OF AID**

Not all aid is the same, and the mix matters as much as the total amount.

Aid Type	What It Is	Repaid?	Strategic Role
Grants	Need-based dollars from federal, state, or institutional sources	No	Core affordability tool for low-income students
Scholarships	Primarily merit-based; may also be need-informed. Administered through the OSU Scholarship Office and college scholarship administrators	No	Recruitment and yield tool, especially for non-residents
Work-Study (FWS)	Subsidized student employment through the federal work-study program	No	Reduces borrowing; keeps students connected to campus
Loans	Borrowed funds administered by OSU on behalf of the federal government, or taken privately	Yes	Enables enrollment; over-reliance increases stop-out risk

The ratio of gift aid (grants and scholarships) to self-help (loans and work) is an important signal for student success. For students with the least financial capacity, a package that is heavy on loans increases the risk they will stop out before graduating — particularly if a financial shock hits mid-year.

**HOW OSU BUILDS AN AID OFFER**

OSU structures its packaging process in three stages that match the student's enrollment journey:

1. Application and Processing: The student completes the FAFSA. OSU receives the SAI and other eligibility data and uses it to calculate financial need and build an initial offer.
2. Understand and Accept: The student reviews the offer in the Financial Aid Portal, accepts or declines individual components (especially loans), and completes any required steps to activate their aid.
3. Maintain Eligibility: The student stays enrolled, meets satisfactory academic progress requirements, and files a new FAFSA each year so aid continues uninterrupted.

Timing matters at every stage. Students make enrollment decisions early, and they need a clear, complete aid offer to make a real comparison. Aid that arrives late or is confusing to interpret can cost OSU an enrollment.

## RESIDENCY AND WUE

A student's residency status determines their starting price and the funding sources available to them. Oregon residents have access to the Oregon Opportunity Grant and benefit most directly from Pell Grants and other need-based federal programs. Non-residents face a higher sticker price, which OSU offsets primarily through merit scholarships.

The Western Undergraduate Exchange (WUE) is a WICHE program that lets eligible non-residents from participating Western states pay 150% of OSU's in-state tuition instead of the full non-resident rate. In FY2025-2026, WUE packaging is set at a \$18,000 award. It is one of OSU's main tools for making the non-resident price workable for students from the Western region — and for keeping OSU competitive as a recruiting option in that market.

## WHAT THE DATA SHOWS ABOUT STUDENT SUCCESS

In FY2024-2025, loans accounted for about 44.8% of total disbursed aid at OSU. Grants were about 25.7% and scholarships about 29.1%. Nationally, research consistently shows that shifting the aid mix toward gift aid — especially for students in the lowest income bands — improves persistence and graduation rates. That is the direction OSU's strategy is trying to move.

OSU's undergraduate borrowing rate is 34%, with an average cumulative debt of \$26,345. That figure is relatively stable over time and below the national average for four-year public institutions. But averages can obscure what is happening at the margins — the students who borrow more, work more hours, and are most at risk of stopping out before graduation. Protecting those students with more gift aid is both a mission priority and a graduation rate strategy.

## COMMON MISCONCEPTIONS

- Sticker price is not what most students pay. Families, especially those without prior college experience, often do not know this. OSU's ability to communicate net price clearly and early is a real competitive advantage.
- The SAI is not a bill. It is not the amount a family is 'expected' to pay out of pocket. It is an index used to calculate aid eligibility.
- An aid offer is a mix of resources with different implications. Grants and scholarships make college more affordable. Loans make it more accessible in the short term but create repayment obligations that can follow students for decades.
- Doubling OSU's grant and scholarship spending still would not meet all demonstrated student need. There is no funding level that eliminates unmet need entirely — which is why targeting and strategy matter.

**GLOSSARY**

<b>Term</b>	<b>Definition</b>
COA (Cost of Attendance)	OSU's estimate of the full academic-year cost for a student, including both billed and non-billed expenses.
FAFSA	Free Application for Federal Student Aid. Filed annually to determine eligibility for most federal, state, and institutional aid programs.
Financial Need	COA minus SAI. The gap between what a student's education costs and what their family can be expected to contribute.
Gift Aid	Grants and scholarships that do not have to be repaid.
Net Price	COA minus grants and scholarships. The actual out-of-pocket cost after gift aid.
SAI (Student Aid Index)	A measure of a family's financial capacity derived from FAFSA data. Used to calculate need. Not a bill.
Self-Help Aid	Aid that is earned (work-study) or repaid (loans).
WUE	Western Undergraduate Exchange. A WICHE program allowing eligible non-residents from participating Western states to attend OSU at 150% of in-state tuition.
Disbursement	When aid funds are applied to a student account or released to the student, per program rules and enrollment verification.
Pell Grant	A federal need-based grant for undergraduate students with low SAI values. Does not need to be repaid.
Oregon Opportunity Grant	Oregon's primary need-based state grant for low-income Oregon residents attending Oregon colleges and universities.
Tuition Discount Rate	The percentage of gross tuition revenue returned to students as institutional grants and scholarships. A key metric for pricing strategy.

For more detail on any of these topics, the OSU Office of Financial Aid website ([financialaid.oregonstate.edu](http://financialaid.oregonstate.edu)) is the best starting point. Federal Student Aid ([studentaid.gov](http://studentaid.gov)) covers FAFSA, SAI, and loan program details.