WE CAN'T KEEP UP!

The Costs of Austerity on Student Workers at Yale

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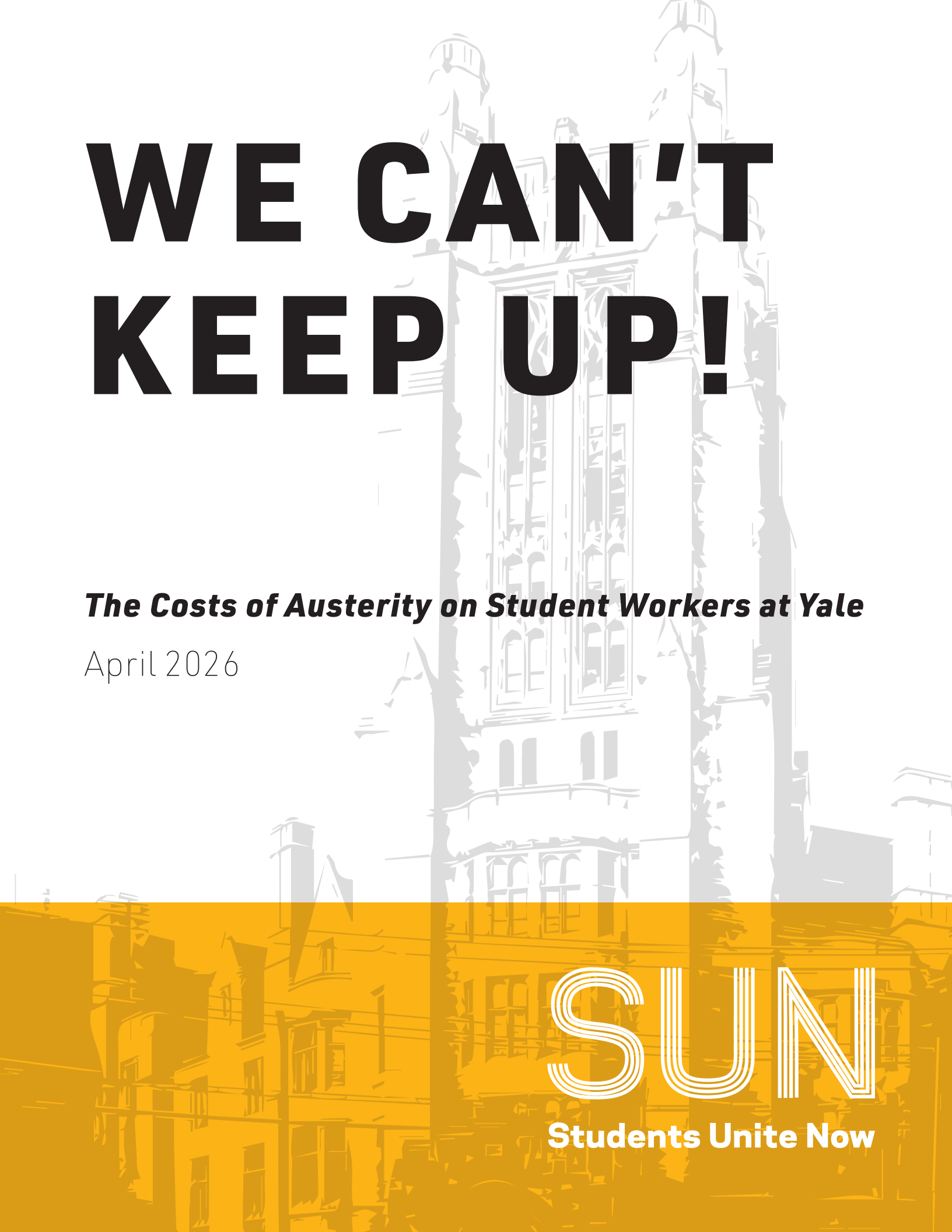

SUN

Students Unite Now

WE CAN'T KEEP UP

Yale tells us that loan-free financial aid makes this education accessible, and President McInnis recently agreed that "one of the most effective ways we can begin regaining trust is by making our university more affordable."[1] That promise is meant to ensure we can fully participate in campus life, regardless of income. But many of us are pursuing our education while our families experience the brunt of today's affordability crisis.[2]

We are struggling to keep up—not just academically, but financially, emotionally, and socially. Low-income students are forced into trade-offs between supporting our families, pursuing academic opportunities, and preparing for our future.

In Spring of 2026, 750 undergraduates handwrote statements to Provost Scott Strobel calling for higher wages on campus and an increased contribution to New Haven. Among the statements, some describe doing work in unpaid lab positions that are critical for our academic and career trajectories while still trying to meet basic living expenses. Some work more hours than we are allowed to bill in order to maintain positions and support our campus communities. Others send money home to our families. These are not isolated experiences—they are structural consequences of Yale's austerity, which shifts rising costs onto students.

At the same time, the broader landscape of higher education is shifting. With affirmative action gone, universities like Yale claim to be recommitting to diversity and access. But access without support is not equity. Without sufficient financial aid and resources, students of color are left behind.

While Yale may try to ignore this shift, student workers cannot afford to.

WORK, WAGES, AND PRESSURE

Yale recommends that students work no more than 10 hours per week, warning that exceeding this limit may affect academic performance.[3] But amid increasing austerity, many of us do not have a choice.

In a Spring 2025 SUN survey of 419 Yalies, one quarter reported working more than 10 hours per week. While 52% of the campus is on financial aid, 82% of the students who reported working more than 10 hours per week were on financial aid. If students with the greatest financial need are also those most likely to exceed Yale's recommended limits, the question is unavoidable: is Yale doing enough to support us?

This imbalance is compounded by stagnant wages. The undergraduate minimum wage is $17 per hour, just $0.06 above Connecticut's minimum wage of $16.94.[4] Yale does not pay even 1% above the state minimum. In 2002, it paid 34.3% more.[5] In 2017, Yale paid 23.8% more, or $2.40 more than minimum wage.[6] As a result, students today work longer hours simply to maintain financial stability while earning less in real terms. Yale's austerity is not neutral–it is unevenly distributed onto those least able to absorb it.

Yale can respond to the pressure on us with a recommitment to student wages. There are 6,740 undergraduates on campus.[7] An article from 2019 indicates there were about 2,000 undergraduate jobs available on campus, according to Student Employment Manager Heather Abati.[8] If we assume proportional growth with the rise in undergraduate population, there may be approximately 2,225 student jobs available on campus today.[9]

If all of those positions employed undergraduates working the maximum 19 hours per week for two semesters, it would cost Yale approximately $24.2 million a year to pay all student workers a minimum wage of $22 per hour. Under a baseline of the current $17 per hour minimum wage, raising wages to $22 would represent an additional cost of roughly $5.4 million per year. In FY24, Yale reported a $211 million surplus from operations.[10]

Even a full-scale wage increase for the entire student workforce would amount to a marginal share of Yale's operating surplus when placed against a multibillion-dollar endowment and annual spending levels.

"Right now, I work three jobs: as a research assistant in an Alzheimer's lab, a front desk assistant at Sterling Library, and an Accessibility Assistant for Yale. My work helps researchers and makes classes accessible– but working nearly 19 hours each week has taken a toll on my health, academics, and relationships. Last year, with fewer hours and the Startup Grant, I rarely skipped class and earned a 3.95 GPA; now I skip weekly and celebrate passing grades because exhaustion has become my baseline. With rising living costs and the need to support my family, a higher wage would let me work fewer hours, take better care of myself, and succeed."

Camila Torres, Sophomore in Silliman

EROSION OF STUDENT SUPPORT AT YALE

Yale's austerity measures are reducing the resources we rely on to pursue our education. Despite assuring donors that Yale prioritizes financial aid and that the federal endowment gains tax will not reduce that commitment, the University has in fact reduced access to essential funding and support over the past few years.[11]

In 2023, Yale prohibited free storage in residential college basements and later, in 2025, eliminated summer storage funding for low-income students.[12] Both Dwight Hall and the Yale College Council used their own budgets to try to soften the impact.[13] We now receive fewer dining points at Commons and the Bow Wow, limiting access to meals that fit our class and work schedules.[14] Students have reported inconsistencies in funding for the cultural houses, with student workers seeing lower work limits at the centers or less flexibility for events.[15]

Notably, this academic year, Yale announced that the International Study Award and the Summer Experience Award were merged into a single grant.[16] Over a quarter of undergraduates signed a YCC petition calling for a reversal of the decision.[17] These grants previously provided reliable, non-competitive funding for two summer opportunities for students on financial aid. At a time when internships are increasingly essential for navigating an uncertain job market, Yale is halving the very support that makes those opportunities—and the pathways they lead to—accessible.

Other parts of financial aid have eroded over time. When the Startup Grant program was initiated in 2016, there was also a $600 grant for high-need sophomores, juniors, and seniors, while first years received $2000.[18] The $2,000 Startup Grant for first years has not increased in nearly a decade despite inflation, and the University no longer offers $600 grants to upperclassmen as part of the initiative. Therefore, the Startup Grant program is worth about 60% less than it was in 2016 in real terms; most of that drop is from cutting the $600 grants for upperclassmen, while some is due to inflation.[19] We are expected to make up the difference ourselves while our "non-profit" school protects its bottom line.

"I came to Yale to have my education take me far. I'm limited to one grant for my summer experience, so I'll have to figure out how to find the next one with less support. Dean Lewis' values for the future of education at Yale don't seem to have me, an FGLI student, in mind at all."

Thomas Mulugeta, First Year in Branford

YALE LAGS PEER INSTITUTIONS

Yale presents itself as a leader in undergraduate support, but compared to its peers on financial aid and wages, it is falling behind both institutions with similar endowments and those with much smaller ones.

In 2025, Princeton University eliminated costs for families earning under $100,000, while families earning up to $250,000 pay no tuition.[20] Yale's expansion of free tuition for families earning under $200,000 is less generous and came a year later.[21]

Williams College, with a $3.9 billion endowment,[22] replaced loans, required work-study, and summer earnings contributions entirely with grants in 2022.[23] Undergraduate borrowing fell by over 70%.[24] The $925 Personal Expenses Grant each semester at Williams is a stark contrast to the elimination of the yearly $600 grant at Yale for upperclassmen.

Wesleyan University, with a $1.57 billion endowment,[25] has raised wages significantly for undergrads following unionization at campus dining locations. Undergraduate members of Wesleyan Dining Workers United who work for Compass at Wesleyan now earn $22.00 per hour, with wages set to reach $22.50 by 2027.[26]

Looking beyond student wages, another comparison between these two schools is just as revealing. After his promotion to Provost at Yale in 2020, Scott Strobel went from making $526,868[27] to making $887,887 in 2023, receiving 69% more in compensation over a few fiscal years.[28] In 2023, Wesleyan paid their Provost a salary of $309,640 – less than the increase in Strobel's pay alone.[29]

In 2024, Yale contributed $18.5[30] million to settle a lawsuit alleging coordinated practices among elite universities that affected financial aid calculations and artificially constrained aid offers.[31] While the University denies wrongdoing, the case underscores that questions about affordability at Yale are not solely a matter of institutional choice, but also reflect broader systems that have shaped how aid is structured across peer institutions with multibillion-dollar endowments.

Across these institutions, record breaking financial aid and higher wages have not been commensurate outcomes of record breaking fundraising. Nothing prevents Yale from matching the investments made by Williams or Wesleyan except its own decisions.

"I came to Yale to do research to prepare for PhD programs, as Yale's STEM research culture is promoted as a major draw. What I did not realize was how limited the infrastructure is for sustained student research after first year. I was fortunate to have a PI cover my pay, but that support is not consistent across labs. It should be. Programs like STARS II provided me and a handful of students funding, but many peers work hours in labs doing similar work as I do, but for no pay. My path through research at Yale has felt shaped more by luck and individual mentors than by a clear, accessible support system."

Madeline Pitre, Senior in Pierson

YALE'S SELECTIVE AUSTERITY

In the 2008 financial crisis, its endowment fell 25% to $17 billion (from $22.9 billion),[32] yet within six years it fully recovered.[33] A decade later, the endowment had grown to $29.4 billion.[34] The pattern is consistent: Yale absorbs shocks, and its endowment rebounds. Most working families cannot.

The coming endowment tax is 8% on income only—not on the endowment principal itself.[35] For Yale's projected returns since June 30, 2025, that amounts to roughly 30 days of income going to the tax, leaving 335 days worth of gains intact.[36] Yet Yale has used this federal policy to justify selective austerity. President McInnis said she was "not worried about reductions to financial aid due to the new endowment tax rate,"[37] signaling internal confidence that contrasts with austerity measures for summer funding.[38]

In December 2025, Yale began exploring the idea of a satellite campus in San Francisco, with Dean Jeff Brock "leading the business plan" alongside Mayor Daniel Lurie.[39] Expansion is treated as ambition, while labor and financial aid are treated as liability. It's against this backdrop that President McInnis noted that "universities are mostly people" when asked how different parts of Yale would meet constrained budget targets.[40] Yale administrators have used this thinking to arrive at an inversion of nonprofit logic: financial flexibility is preserved at the institutional level, while constraint is displaced onto people who make up the University. If expansion is viable enough to explore, why is austerity the dominant response?

That tension becomes sharper against Yale's internal structure. In 2018, The Chronicle of Higher Education found Yale had the highest manager-to-student ratio among Ivy League universities and the fifth highest among four-year private colleges nationally.[41] Yale invokes constraint when discussing labor and aid, even while its structure and history suggest constraint is chosen, not imposed.

Yale also presents itself as a partner to New Haven. But its financial choices again suggest selective restraint. Roughly a quarter of New Haven residents live below the poverty line, and more than one in three children grow up in poverty.[42] This economic reality is reflected in the public school system, which is still struggling to match statewide and pre-pandemic measures of academic progress.[43] Chronic underfunding driven by reliance on local property taxes reinforces deep disparities in resources.[44] New Haven Rising and the several unions have called for $110 million annually to offset the $106 million in lost tax revenue due to Yale's tax-exempt status.[45] Yet, Yale only increased its annual voluntary contribution to New Haven by $5 million, bringing the total to about $30 million per year.[46] By contrast, in 2024, Provost Strobel led Yale's rapid commitment of $150 million to artificial intelligence initiatives to advance research[47] despite concerns regarding its potential to support anti-democratic policies and violations of privacy and human rights principles.[48]

Yale invests heavily and readily in future technologies while underinvesting in the community and students who sustain it. We are told that financial constraint limits what the University can provide in wages, aid, and community support. But the contrast raises a central question: if Yale can commit $150 million to emerging research priorities, why do the communities and students most closely connected to Yale continue to face constrained investment? The issue is not what Yale can afford, but who its leaders choose to value.

"As a Peer Liaison at the Afro-American Cultural Center, I witnessed how Yale has strained its cultural centers. Our director warned us of preemptive budget cuts, forcing us to scale back events for first-years. Our billable hours were reduced, leaving us less funding to support communities facing racial and class discrimination through more uncompensated labor. I became co-chair of my ward in the Dwight neighborhood because, in both campus and community contexts, the impact of Yale's concentration of wealth is felt most acutely by Black and Brown working-class communities."

Richard George, Junior in Grace Hopper

YALE SHOULD BE LEADING

Yale College Dean Pericles Lewis said in a September 2025 interview that over the next three years, the University will cut an additional 5 percent of non-salary expenses – a category which student wages fall into.[49] But Yale has the resources to pay more and increase aid. The question is not whether it can, but whether it will.

The University's endowment reached $44.2 billion as of June, 2025. Yale's own "spending rule" policy sets a yearly spending target of 5.25% of the endowment's inflation-adjusted market value. The maximum rate that is still allowable under Yale's spending rule is 6.5% of the endowment's inflation adjusted market value at the start of the prior year. Yale has determined that staying in the range of this spending rule would "best preserve endowment asset values" so that the endowment can grow while also providing funds for Yale operations.[50]

With $2.1 billion in spending last fiscal year on a $44.2 billion endowment, Yale had a spending rate of 4.77%. This places Yale 0.47 percentage points under its ideal target rate, and 1.73 percentage points under its top rate of spending that still protects the endowment value. In dollar terms, that gap represents approximately $206 million to $746 million that Yale did not end up spending even before reaching its own conservative spending limit.

Yale is not operating at its financial limit, nor even at its own stated target rate–it is operating with built-in flexibility that remains underutilized.

When Yale claims financial constraint, it is making a choice. As undergraduates facing higher tuition, weaker wages, and growing need for stronger financial aid, we need Yale to make better choices. Yale is effectively a leader in administrative growth, but we know it can choose to lead on financial aid and fair wages without even straining its limits.

RECOMMENDATIONS

Yale has the resources to act. What is missing is the will. We call on Yale to:

- Raise student wages to $22/hr to reflect the real cost of living
- Increase its financial contribution to New Haven to $110 million
- Restore financial aid support that has been eroded
  - » The Startup Grant should be brought up to $2750 to match inflation since 2016, and upperclassmen should receive $825 per year
  - » The Summer Experience Award and International Summer Award should both be maintained instead of merged

These are necessary steps toward fulfilling Yale's stated commitments to undergraduates, particularly at a time when there is widespread suspicion that private colleges "are primarily out to make a profit–though most are, legally speaking, not-for-profit institutions," according to the Report of the Yale Committee on Trust in Higher Education.[51]

Yale has listened to students before. After years of SUN's organizing and protest, the University eliminated the Student Income Contribution in 2021, keeping thousands of dollars in students' pockets.

The economy has worsened for working families since the 2020 Covid-19 crisis. We can't keep up–but Yale does not have that problem. Its endowment has grown by billions over this same period, and it continues to operate below even its own conservative spending targets. Yale has the resources to invest in its undergraduates right now–through fair wages, restored aid, and meaningful support. The only question is whether it will choose to do so.

ENDNOTES

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