

We Can't Afford to Wait

***The Costs of the Student Income Contribution
on the Yale Undergraduate Community***

April 2019

SUN

Students Unite Now

INTRODUCTION

In 2016, Yale University President Peter Salovey told the *Yale Daily News* that “No investment is more foundational than our commitment to financial aid.”¹ Yale’s Financial Aid website informs prospective students that “Yale’s financial aid resources meet the full demonstrated need of every undergraduate, including international students, for all four years.”²

This promise is meant to assure us that we may all participate in a vibrant Yale community, exploring our passions and sharing them with one another on equal ground. Yale has broken this promise. Yale includes a “Student Income Contribution” of up to \$5,950 in its financial aid packages, forcing students to come up with thousands of dollars beyond their parent contribution, through a combination of work, additional parent support, or loans. This broken promise perpetuates a two-tier undergraduate experience. Students who are not on financial aid can participate fully in Yale’s classrooms and communities. Students paying the SIC, especially students whose families cannot afford additional support, are forced to compromise our emotional wellbeing, our academics, our careers, and our relationships with our families and with one another. This report explores the hidden costs of the SIC on undocumented students, international students, students in STEM, and students seeking mental healthcare.

In recent years, as student activists protested the Student Income Contribution, Yale administrators have attempted to rebrand it by renaming it several times. Most recently, the administration updated their website to refer to the SIC as the “Student Effort,” and its two component parts as the “Student Campus Employment Option” and the “Student Share.”³ Most current students still know it as the Student Income Contribution. Whatever Yale calls it, we know what it costs, because it affects every aspect of our Yale experience. It forces us again and again to compromise on our time at Yale and on our futures.

Yale has many, often contradictory justifications for the Student Income Contribution.

In 2016, Vice President of Yale Alumni Affairs Joan O’Neill claimed that eliminating the SIC would be off-putting to donors who received financial aid, because “by and large, they think that a little work is not a challenge.”⁴ The administration’s attempts to write-off the burden of the student income contribution on students as “a little work,” contrasts with its repeated claim that there is no room in Yale’s budget to eliminate it.⁵

Students are on financial aid for a reason: our families cannot afford the full price of tuition. Yale has a \$29.4 billion endowment. How can it be true that Yale can’t afford to eliminate the SIC, but we can afford to pay it?

HOW THE STUDENT CONTRIBUTION WORKS

If you don't receive financial aid, your parents receive a bill from Yale for the full cost of tuition, room, and board, for which they are responsible. If you receive financial aid, Yale calculates your parent contribution, which is the amount they expect your family to pay towards your education. Even if your parent contribution is zero, Yale expects you to pay the Student Income Contribution. The total Student Contribution for most students on financial aid is \$4,450 for first-year students and \$5,950 for upper-level students, although these amounts may vary for highest-need students.⁶

- Part of the Student Income Contribution is paid directly to Yale. The standard value of this is \$2,600 for upperclassmen and \$1,600 for highest-need upperclassmen. On the financial aid letter belonging to this representative student, this part contribution is listed under the Family Contribution. Yale promised this student's family a parental contribution of zero, but their family still receives a bill for the contribution. Is this full financial aid?
- Part of the Student Income Contribution goes towards expenses that Yale estimates are part of the cost of attendance, like textbooks, winter clothing, travel costs, summer storage, printing, and laundry costs.⁷

On its "Student Effort" website, Yale distinguishes between these two parts of the contribution as "billed" and "unbilled" expenses. But what is the actual effect of this shift? Students have to work, take out loans for their loan-free⁸ education, or cut costs by skipping flights home, rationing meals over spring break, and going without adequate winter clothing. Whether they're paid to Yale University, Yale Bookstore, or a third party, "unbilled" expenses are still expenses. They still burden students financially and emotionally. Yale tries to project an image of inclusion and diversity, but by refusing to eliminate the SIC, it creates a gap between that image and the reality of life on campus.

The details of your financial aid award for the 2018-2019 aid year are listed below. Please refer to the Financial Aid website at finaid.yale.edu for further information about aid awards, the bill, and financing options.

ESTIMATED EXPENSES		FAMILY CONTRIBUTION	
Tuition	\$53,430	Parent Contribution	\$0
Room and Board	\$16,000	Student Income	\$1,600
Books/Personal Expenses	\$3,750	Student Assets	\$0
Travel Expenses	\$1,000		
Budget Supplement	\$600		
Total Estimated Expenses	\$74,780	Total Family Contribution	\$1,600
FINANCIAL NEED for 2018-2019 aid year			\$73,180
We have determined that you are eligible for the following aid:			
	Fall 2018	Spring 2019	TOTAL
SELF-HELP			
Yale Term-time Job			\$3,350
GIFT AID			
Yale Scholarship	\$34,615	\$34,615	\$69,230
Supplemental Allowance	\$300	\$300	\$600
TOTAL FINANCIAL ASSISTANCE			\$73,180

-Your award includes a Supplementary Allowance to help you with start-up expenses: The allowance will be applied to your bill. If you have an available credit on your account after the term begins, you may request it as a refund.

Financial Aid Letter from a Representative Student

HIDDEN COSTS OF THE STUDENT CONTRIBUTION

The Student Income Contribution's toll on our lives goes beyond dollars and cents: it imposes hidden costs on students across campus. Read about how the SIC affects these different groups of students.

Undocumented Students with DACA

At Yale, undocumented students without a valid Employment Authorization Document granted through Deferred Action for Childhood Arrivals ("DACA") are encouraged to contact their financial aid officer to review their aid award because they cannot legally work. However, undocumented students with a valid work authorization document through DACA, are affected by the same financial aid policies as other admitted Yale students.⁹ They can work, so they have to pay the SIC, too. Yale claims it wants to foster a welcoming environment for undocumented students, but the SIC exacerbates the precarity of their status, with far-reaching consequences for them and their families.

Many undocumented students have undocumented adults in their family who are vulnerable to employer exploitation because they are not eligible for DACA.¹⁰ At Yale, undocumented students with DACA have access to labor rights and wages that their families do not. Because Yale upholds the SIC, the money these students make can't go to helping their parents. Instead, it goes instead to the already-rich university.

Moreover, the precarious political status of DACA means that undocumented students must grapple with uncertainty about their ability to work in the future at all. Students on DACA can earn secure wages at Yale, but they may not be able to in the future. By forcing them to use those wages to pay their SIC, Yale ensures that they cannot save that money to prepare for the possibility that they may lose DACA protections, exacerbating their already precarious financial position.

Yale can't change U.S. law, but it can choose to stay true to President Salovey's "[dedication] to maintaining and strengthening the supports and resources [Yale] has in place" for undocumented students.¹¹ It is already hard to be undocumented: by upholding the SIC, Yale is choosing to make it harder. If they really want to support undocumented students, they must eliminate it.



"I'm first-generation low income and undocumented. Entering a predominantly rich, white university is already hard, and the SIC makes it harder. My family could use that money to make ends meet. I could use it to renew my DACA. We deserve certainty and safety.

My name is Carlos Rodriguez (SY '21), and I can't afford to wait."

HIDDEN COSTS OF THE STUDENT CONTRIBUTION

International Students

Airfare is expensive. International airfare is even more expensive: the average cost for international flights was about \$900 in 2014¹² while for domestic flights the average is about \$350¹³. This cost adds up over multiple necessary flights over four years at Yale. Many international students can't afford to pay for the SIC and a ticket home. So they skip flights, staying in New Haven, and miss out on seeing their families and friends back home.

International students are usually on an F-1 visa, and there are "limited opportunities for F-1 students to work while studying" wherein they must navigate certain guidelines with help from the Office of International Students.¹⁴ Their income beyond tuition is taxable by the U.S. government, and this includes any scholarships beyond tuition, like their standard Yale financial aid scholarship.¹⁵ Currently, Yale offsets tax withholding for qualifying international first years by raising the scholarship portion of their financial aid package, but this policy is not extended to upper level students.¹⁶

International students deserve to see their families, and to attend school with the assurance that their exposure to federal taxation won't reduce the value of their overall financial aid package in their upper years. Yale can most effectively offset U.S. taxes, travel costs, and other necessary costs by eliminating the SIC.

"As an international student, I am forced to choose between going home to my family and staying here to work to pay the Student Income Contribution. I miss my family and they miss me. We deserve to spend time together.

**My name is Shaheer Malik (SY '20),
and I can't afford to wait."**



HIDDEN COSTS OF THE STUDENT CONTRIBUTION

Students in STEM

Yale made it a goal in 2007 to recruit an incoming class with 40% of first years pursuing STEM.¹⁷ Since then, incoming classes made up of up to 50% STEM students have seen high rates of attrition: students are leaving STEM, especially low-income students and students of color. This is an issue of access: to preparation, to mentorship, to time and other resources. In “departments with poor advising and overworked professors [...] students who come in without adequate preparation, in particular, are often forced to leave STEM.”¹⁸ Such students are disproportionately low-income students and students of color, two of the often overlapping underrepresented demographics who are paying the SIC.¹⁹

Too many of us are already playing catch-up in STEM. Yale says it wants to provide the resources that we need to succeed: for example, the STARS program provides resources “to improve student performance and persistence rates in all STEM disciplines”²⁰. But the Student Income Contribution means there is only so far these resources can go.

The SIC takes up time and mental resources we could be spending on an already demanding course load. In many STEM courses, graded problem sets take hours over several days, and office hours are essential to success.²¹ Work schedules with hour minimums are often inflexible for students, making office hours less accessible and making it more difficult to handle multiple pset-based classes at once. Additionally, many research opportunities in STEM are unpaid. While the university has recognized this issue and introduced fellowships to apply for funding for these unpaid opportunities,²² many students are still forced to choose between training for their research careers and unrelated paid work necessary to meet the required SIC.

Yale says it cares about keeping students in STEM, but which students? The university cannot claim that it wants to foster a diverse, equitable STEM community until it eliminates the Student Income Contribution.



“Adjusting to college is hard. I’m a first-year computer science major, and already, I’ve struggled to manage office hours, PSETs, and extracurriculars. Worrying about the Student Income Contribution takes time away from the things I have to do and the things I love to do. My classmates from financially secure backgrounds, who are disproportionately white, have time to explore and adjust, and I don’t. I deserve the chance to focus on my schoolwork and my passions.

**My name is Rahshemah Wise (PC '22),
and I can’t afford to wait.”**

HIDDEN COSTS OF THE STUDENT CONTRIBUTION

Students Seeking Mental Healthcare

As stated in the *Journal of American College Health*, “financial strain may directly or indirectly (i.e., through perceived stress) impact students’ psychological symptoms and academic and social integration,”²³ echoing hundreds of testimonies Yale students have shared about paying the SIC while struggling with their mental health.

The Yale College Council recently conducted a survey regarding mental health on campus. Of the 2,181 students who responded:

- 48.7 percent “believed that Yale does not do enough to take care of students’ mental health”²⁴
- 54 percent of respondents disagreed or strongly disagreed that “The length of time I waited before receiving help was reasonable, relative to the urgency of my condition,” reflecting widespread dissatisfaction²⁵

Because of long wait times and other institutional problems at Yale Health, many students ultimately seek private counseling off-campus²⁶, which is not covered by students’ basic Yale Health insurance.²⁷ A student interviewed by the YDN was “unsure she would have gotten healthy if she had not been able to pursue help outside of Yale,”²⁸ and a YDN writer writes that they were “frightened to even consider [their] mental state if [...they] hadn’t had access to a private provider”²⁹ because of Yale’s withdrawal policies. Indeed, the YCC Mental Health Report issues the recommendation that Yale make it easier for students to seek help from professionals outside the university to recover from mental illness.³⁰

Students who are working to pay the SIC cannot use that money for outside care. Eliminating the SIC will allow those of us who are dealing with mental illness to seek and begin care when we need it or to “be seen more than once per week” as is currently unavailable at Yale Health.³¹ Additionally, it will significantly alleviate financial strain, preventing significant stress among undergraduates. We will have more time to spend with family and friends, more time to manage our coursework and pursue our passions, more time to heal. We will be happier and healthier, more able to make the most of our college experience.

By upholding the SIC, Yale is telling us that its endowment is more important than our wellbeing.

“The Student Income Contribution takes up time I need to cope with my depression. I struggle to concentrate on my classes and friendships, and I feel guilty for any time I don’t spend working—like if I’m not productive, I’m worthless. I deserve time to heal.”

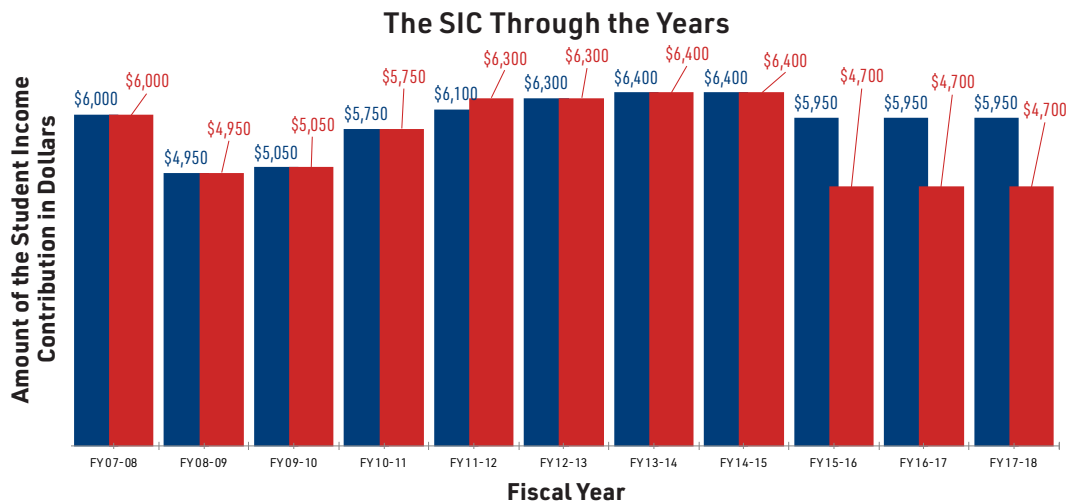
**My name is Jake Diaz (BR '20),
and I can't afford to wait.”**



CHANGES TO THE STUDENT CONTRIBUTION

Yale has a history of following its students' lead on financial aid. In 2005, fifteen students participated in civil disobedience at the Yale Admissions Office, and Yale committed to eliminating the parent contribution for families making under \$45,000, an expectation which is now the gold standard of the University's financial aid policy.³² They also reduced the student contribution from \$4,400 to \$2,500.

In 2015, after a semester of protests led by black and brown students, and after two years of students organizing around the Student Income Contribution, Yale announced a reduction in the student income contribution and introduced a sliding scale which would further reduce the student income contribution for students on "full" financial aid.^{33, 34} In 2016, Yale increased the "Start-Up" fund for highest need first years, which effectively covers part of the unbilled portion of the Student Contribution.



Student activists and advocates fought for these victories. However, Yale has demonstrated that when students stop exerting pressure on them, the student contribution steadily increases.

We know that, if we stop speaking up, Yale will not hesitate to raise the contribution, rolling back years of progress. Yale must eliminate the Contribution once and for all. We will accept nothing less. Our careers, our health and happiness, the communities we love at Yale, depend on it.

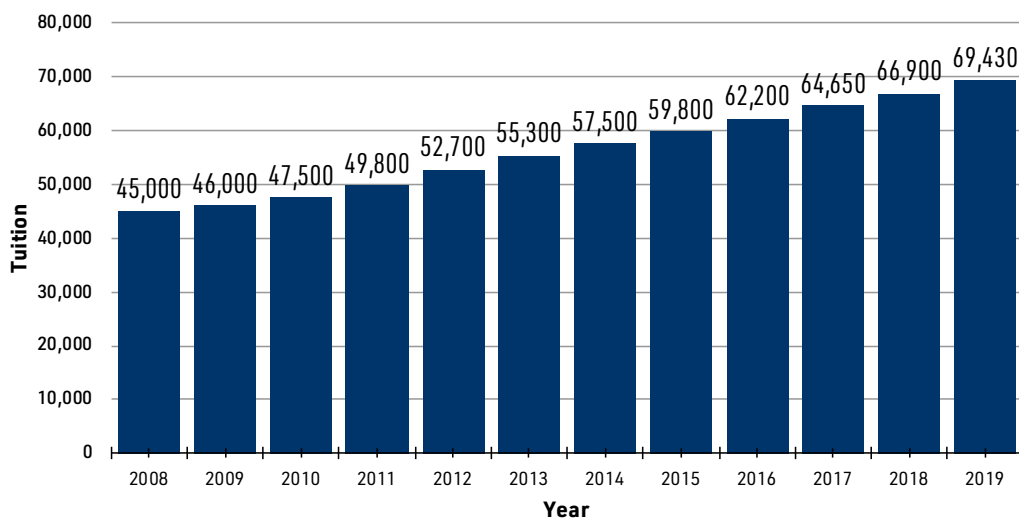
Yale promises us full financial aid—when will they really provide it?

YALE CAN AFFORD TO FIX IT

Yale can easily afford to eliminate the student income contribution. Yale has the third largest endowment in the country, which grew to a record \$29.4 billion for the year ending June 2018. That same year, the university reported a \$91 million dollar operating surplus.³⁵

- In 2018, it would have cost Yale University about \$16.7 million to eliminate the Student Income Contribution.³⁶ This amount is equal to just 0.061 percent of the market value of the endowment, and just 0.45% of the university's operating expenses.
- All of tuition, room, and board represent just 10% of the University's yearly operating budget of \$3.9 billion. Yale's largest sources of revenue are endowment returns, medical services, and research grants.
- Even within Yale's conservative spending strategy, Yale can afford to eliminate the SIC.
- According to the spending strategy devised by the Yale Investments Office and the Yale Corporation, Yale's goal each year is to spend 5.25% of the Endowment's inflation-adjusted market value at the end of the prior fiscal year.³⁷ Over the past fourteen years, since Yale increased its spending target to 5.25%, Yale has spent an average of 4.86% of its endowment every year.³⁸ At the endowment's current valuation of \$29.4 billion, the difference between the target rate and the average rate amounts to \$114 million dollars, more than enough to eliminate the Student Income Contribution.³⁹

Increase in Yale Cost of Attendance Over Time



In spite of its financial success, Yale has continued to impose austerity measures on campus which have resulted in a deficit of professors, as noted by the FAS Senate Research and Scholarly Excellence Report,⁴⁰ as well as steep annual tuition increases.

In December 2018, Dean Marvin Chun argued to the *Yale Daily News* that, "the university's endowment is **restricted... from covering the full cost of attendance for all students on financial aid** without reducing the size of the faculty or staff, limiting financial aid to approximately 360 fewer students than now, or increasing tuition for all student not on financial aid by about \$6,000."⁴¹ It is true that the cost of these budget-cutting measures is roughly equivalent to the cost of the student income contribution, but the university has not provided evidence to demonstrate that funding for the elimination of the student contribution must come from these essential university services. What is most telling about Chun's statement is that by his own admission, Yale currently does not cover the full cost of attendance for all students on financial aid.

We know Yale is breaking their promise. Yale knows they are breaking their promise. So what's their excuse?

RECOMMENDATIONS

Yale has the resources to eliminate the Student Income Contribution. Yale's measures to reduce the burden of the student contribution are welcome, and they signal that the Administration recognizes the burden that the SIC places on students, especially low-income students of color. But these measures are not enough. The SIC is incompatible with Yale's professed dedication to socioeconomic diversity. In choosing to uphold the SIC, Yale endorses a divided campus where low-income students of color are forced to make unnecessary sacrifices and compromises which hurts our studies, our careers, our mental health, our families, and our relationships. This is not full financial aid. This is not the Yale we were promised.

We call on Yale to step forward as a leader among its peers by eliminating the contribution. A Yale without the student contribution is a more economically just Yale. It is a Yale in which undergraduate education, experience, and achievement are more accessible, communally shared, and equal. We are fighting for that Yale, for each other, and for the future of all students at Yale.

ENDNOTES

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