First Interim Report of the Task Force on College Affordability
CONFIDENTIAL DRAFT | May 7, 2025

Dear Harvey Mudd College Community:

The Strategic Planning **Task Force on College Affordability** was created by Harvey Mudd College President Harriet B. Nembhard in January 2024 and formally began its work in February of that year. The Task Force was charged with exploring tuition structures and innovative approaches to price differentiation and was asked to make recommendations that will support the College's strategic plan goal to ensure access to a quality HMC education was available to all students, regardless of their personal financial circumstances.

Over the past year, the Task Force has pursued several opportunities to gather information. Some of these included focused group meetings with alumni, trustees, and business and industry leaders to discuss the national climate around the issue of college affordability. These discussions were part of the Presidential Conversation Series (PCS) of events, hosted by HMC President Harriet B. Nembhard. PCS events focused on affordability took place in a variety of cities, including Burlingame, Los Altos, Menlo Park and Seattle.

In addition to these events, members of the Task Force have worked to gather information on what HMC's peer and aspirant institutions are offering students and families and where there might be gaps in our existing financial aid offerings that could be addressed to improve access for our students. In addition, with the change in White House leadership in 2025, recent congressional discussions around budget reconciliation have brought to light several potential hurdles that need to be considered as we explore ways to improve affordability, particularly regarding the federal student loan program.

This first interim report is the beginning of our work to develop a set of strategic recommendations that can guide the College's planning and fundraising efforts around this important priority. Throughout our continued work this summer, the Task Force values your input and feedback. Again, we encourage you to share your thoughts with us via email at taskforce_ca@hmc.edu. We look forward to hearing from you and to continuing our work together around this important aspect of our strategic plan, STEM for a Better World.

Sincerely,

The Task Force on College Affordability

- Thyra Briggs, Vice President of Admission and Financial Aid and Chair
- Andrew Dorantes, Senior Vice President and Chief Operating and Financial Officer
- Kim Stafford, Assistant Vice President for Advancement
- Darryl Yong '96, Professor of Mathematics
- Bruce DePriester '74, Trustee
- Albert Lee, Trustee
- Mar Hershenson P'24, Trustee

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1 Introduction

Harvey Mudd alumni change the world by approaching their work with an interdisciplinary lens, a collaborative spirit, unmatched communication skills, and an understanding of the impact of their work on society.

It has never been more important to translate science and technology to the public, and this is what Harvey Mudd graduates have been doing for 70 years.

World class faculty and staff deserve world class students.

World class students deserve a Harvey Mudd education.

World class students deserve to have access to a Harvey Mudd education regardless of their financial circumstances.

World class students deserve to graduate from Harvey Mudd without college loan debt that will limit their extraordinary and world-changing potential.

Higher education is among the most important and time-tested keys to accessing social mobility.

Given the proven earning potential of Harvey Mudd graduates, receiving a Harvey Mudd education can transform not only a student's life but their entire family's lives as well.

There is not only a need for Harvey Mudd; there is a demand. In 2024-25, the College received over 5,200 applications for an entering class of 228 students. Given the quality of the applicants, it could be argued that we could fill our class several times over and not change the quality of our enrolling students. This fact does not differentiate Harvey Mudd from other elite institutions, but the fact that Harvey Mudd has achieved this level of success, selectivity, and reputation in only 70 years, does. With only 8,000 living alumni, it is remarkable that Harvey Mudd has made such an impact on the higher education and societal landscape.

Harvey Mudd occupies a distinctive position when it comes to identifying peer institutions. Unlike most liberal arts colleges, we do not typically compete with others in our category for admitted students. Instead, our top 15 overlap institutions include seven of the eight Ivy League schools, along with Stanford, MIT, Caltech, UCLA, and UC Berkeley. But are these truly our peers? In the case of Stanford, MIT, Caltech and most of the Ivies, their endowment per student ranges from 1.5 to almost 10 times larger than ours. UCLA and UC Berkeley offer in-state tuition to California residents who typically make up 40% of Mudd's enrolling students. Given the College's more limited resources and dependence on tuition, Harvey Mudd's cost is the highest of all of these institutions.

How then, in this landscape of higher education and highly selective college admission, does Harvey Mudd remain—or some might say become—competitive against these highly-resourced and lower cost institutions? What does Harvey Mudd offer to make us stand out as students and families are considering and comparing admission and financial aid offers?

- We offer an extraordinary education that intentionally balances rigorous coursework in STEM and in the humanities, social sciences and the arts.
- We have arguably the best alumni outcomes of any institution in the country when it comes to return on investment, starting and mid-career salary, and percentage of students going on to complete their PhD.
- We offer an entirely undergraduate population where students will not have to compete with graduate students for access to faculty or research.
- We offer a residential community where 98% of students live on campus all four years in an atmosphere of collaboration and support.
- We are located just outside the nation's second largest city with a thriving culture and endless opportunities.

2 Public Narrative and Debt Concerns

Recently there have been multiple articles about the public's eroding trust in the value of a college education. Increasingly the focus has been on whether a college can promise instant and lucrative employment to its graduates, and liberal arts colleges, in particular, are under fire for appearing to be an impractical and unnecessarily expensive approach to education. There is an ongoing, although somewhat inaccurate, narrative that countless students are graduating with a crushing load of college debt which they cannot pay back. That said, we know from our own graduates whose average indebtedness in 2024 of $28,000 is $10,000 less than the national average, that graduating with college debt can limit post-graduate options and flexibility. Students may feel that they need to pursue higher paying jobs to ensure they can pay back loans rather than enter graduate school or pursue lower-paying jobs that might better fit their goals.

3 Financial Fit and Competitive Positioning

As families consider colleges and universities, there are multiple criteria on which they base their decision of where to apply. Students who are fortunate enough to have counselors to advise them in the college application process are told to look for those institutions that fit the student best in terms of location, curriculum, majors offered, post-graduation outcomes, and community. More recently, the term "financial fit" has become an equally important criteria in selecting colleges. While an effort has been made to encourage families to consider the net cost of a college (the average cost of a college after financial aid has been awarded) rather than only the sticker price, as many colleges near $100,000 per year, the sticker price becomes harder to ignore.

Even if we are successful in convincing families to look at net price instead of sticker price, compared to our competition, Harvey Mudd falls short. While we have the highest median earnings of the schools below, we also have the highest net price and median debt.

	Net Price	Median Earnings	Median Debt	Students w/federal loans	Pell Percent age	URM[1]
Harvey Mudd	**$39,671**	**$144,598**	**$25,000**	**36.0%**	**14.0%**	**44.7%**
Carnegie Mellon	$34,550	$105,524	$21,750	39.0%	15.0%	26.4%
Duke	$30,785	$95,882	$13,000	17.0%	13.0%	32.0%
Cornell	$29,651	$97,098	$14,000	23.0%	18.0%	33.3%
USC	$29,462	$87,601	$18,000	25.0%	22.0%	35.9%
Brown	$27,157	$84,208	$11,428	10.0%	14.0%	32.9%
U Penn	$26,138	$100,118	$15,715	11.0%	17.0%	28.9%
Columbia	$23,497	$98,435	$21,500	15.0%	23.0%	37.3%
Johns Hopkins	$20,820	$94,324	$10,250	11.0%	21.0%	43.6%
Harvard	$19,500	$101,095	$14,000	3.0%	19.0%	33.8%
Yale	$18,535	$94,821	$12,975	6.0%	19.0%	34.9%
UC Berkeley	$17,371	$84,865	$13,000	16.0%	27.0%	34.5%
Caltech	$16,550	$142,597	$0	4.0%	15.0%	38.2%
UCLA	$15,637	$72,864	$14,000	21.0%	27.0%	37.8%
Stanford	$10,851	$109,851	$12,000	6.0%	20.0%	40.9%
Princeton	$8,143	$112,152	$10,320	3.0%	19.0%	29.2%

Source: https://carnegieclassifications.acenet.edu/institutions/ 2022-23

The argument could be made that one way to avoid deterring potential applicants and their families due to high cost would be to lower the cost of a college education. For schools like Harvey Mudd that rely on tuition rather than endowment spending for the majority of their operating budget, reducing, or even maintaining, the cost of tuition and fees, requires decreases in spending of equal magnitude. To put a finer point on this issue, at Harvey Mudd, the amount of additional revenue generated by a 1% increase in tuition and fees closely correlates to the

[1] Underrepresented Minority Enrollment includes students reported as American Indian/Alaskan Native, Black or African American, Hispanic or Latino, Native Hawaiian or Other Pacific Islander, or Two or More Races.

cost of increasing the faculty and staff salaries and benefits by 1%. It should also be noted that institutions with much larger endowments per student have not opted to lower their cost or put a freeze on increasing tuition but instead have adopted the “high cost/generous financial aid” approach.

As is noted above, we are competing for students in an elite market, and we should be proud of our ability to do so. Still, the cost of a Harvey Mudd education should never be the reason why a student chooses not to enroll. We offer an education and community that rival those of larger, older, and more well-endowed institutions, and our financial aid must be just as competitive. Harvey Mudd is one of only 36 institutions that are both need blind for domestic students and permanent residents and also meet 100% of a student’s demonstrated need. Sharing this with prospective families after they have seen our high sticker price is both reassuring and powerful. It helps position Harvey Mudd alongside the most well-resourced and affordable institutions. However, we are not yet among the group of 23 institutions that meet full need *without* including loans in their aid packages.

4 Leading Financial Aid Models at Other Institutions

In recent months, many institutions have announced enhancements to their financial aid packages, and these enhancements are widening the gap in affordability between these institutions and Harvey Mudd.

UPenn Quaker Commitment - November 19, 2024
- Family income below $200,000 - Tuition free (was $140,000)
- Removal of home equity from consideration

Carnegie Mellon Pathway Program - November 20, 2024
- Family income below $75,000 - Tuition free
- Family income below $100,000 - no loans

MIT - November 20, 2024
- Family income below $200,000 - Tuition free (was $140,000)
- Family income below $100,000 - No family contribution (was $75,000)

Harvard University - March 17, 2025
- Family income below $200,000 - Tuition free (was $85,000)
- Family income below $100,000 - Free
    - $2,000 start-up grant first year
    - $2,000 launch grant junior year
        - Graduate school test prep
        - Travel to interviews

In reviewing other institutions' approach to financial aid improvements, many of those we reviewed were by institutions with considerably more resources than Mudd. However, in 2022, Colby College, which has an endowment per student more similar to HMC's, announced **The Colby Commitment.**

- If your family has a total income of $75,000 or less (with assets typical of this income range), we've ensured they will have a parent or guardian contribution of $0.
- For families with a total income of $75,001 to $100,000 and typical assets, your parent or guardian contribution will be no more than $10,000.
- For families with a total income of $100,001 to $150,000 and typical assets, your parent or guardian contribution will be no more than $15,000.
- For families with a total income of $150,001 to $200,000 and typical assets, your parent or guardian contribution will be no more than $20,000 — which may make Colby cost less for you than any other four-year college or university.

It's worth noting that Colby adopted a no loan policy in 2008, so this initiative builds on that foundation. Colby's approach of offering families a clear, maximum amount they will be expected to pay provides greater transparency and predictability. However, it is important to recognize that Colby is not need blind in admissions and so has taken the approach of offering generous financial aid to those they admit, but the barrier of being need aware remains.

For Harvey Mudd, where access is a core value, maintaining a need-blind policy may be the more critical priority. Still, Colby's model offers a compelling example of how an institution with similar resources is addressing affordability in a highly visible and family-friendly way.

5 Improving Predictability and Transparency in Financial Aid

What stands out about the recent financial aid announcements from colleges is their focus on helping families have the ability to *predict* what their actual costs will be. For years, colleges and universities have been required to publish a net price calculator on their websites that allows families to enter their financial data and get a rough estimate of their aid package. These calculators have helped demystify the cost of college and made it easier to compare institutions. However, they remain imperfect. They are not always able to capture the full complexity of a family's financial situation, nor do they always account for merit aid. And because the estimates are only as accurate as the data entered, even small errors can lead to misleading projections which leave families surprised or frustrated when final aid packages arrive.

Harvey Mudd has taken meaningful steps to strengthen financial aid. For the past three years, students from families earning under $80K have received aid packages without loans. Beginning in 2025-26, that threshold will increase to $100K. When the federal government changed the Free Application for Federal Student Aid (FAFSA) formula in 2023 and no longer considered the number of students in a family currently enrolled in college, we made the decision to continue to consider this factor into our institutional methodology. We recognized that it remains an important element in assessing what families can realistically afford. These improvements matter. But in a competitive landscape where price transparency is becoming a key differentiator, there is still much more to do.

6 Goals and Aspirations for the Future of HMC's Financial Aid Program

As the Task Force discussed possible strategies to improve HMC's financial aid program, we agreed that the recommended strategies ideally would meet the following goals:

1. The changes should impact the greatest number of students possible.
2. At least some of the changes should address the challenges that face our middle and upper middle-income families who are particularly challenged by rising costs.
3. The changes should be presented in such a way that the public can easily understand and that allow families to predict what their HMC cost will be.

Another question members of the Task Force discussed is which strategies would we be able to implement in the short term and which would need to wait for the completion of the anticipated comprehensive fundraising campaign. We know that we can't wait for the campaign to make some improvements, given that other institutions will, in the meantime, continue to improve their own programs, leaving Harvey Mudd even further behind.

7 The Case for a No-loan Financial Aid Policy

One of the clearest and most compelling steps Harvey Mudd could take to communicate affordability to prospective families would be to eliminate loans from all financial aid packages. This move is simple to understand and would immediately align us with some of the most well-resourced institutions in the country. It would also speak directly to the growing public concern that students are taking on irresponsible levels of debt. It's important to note that Harvey Mudd graduates carry relatively low levels of debt compared to national averages and our federal loan default rate is 0%. Still, debt can limit students' post-graduate options. While some argue that students should have some "skin in the game" by taking on a share of educational costs, concern over rising student debt burdens have increasingly overshadowed that philosophy.

In practice, relatively few Harvey Mudd students borrow to pay for college. While loans are currently in most students' financial aid packages, students can decline them if they secure other funding. In some cases, parents step in to borrow instead, despite the fact that the interest rate for parents is higher than that for students.[2] The amount below is based on enrolled students in 2024-25. However, it is difficult to predict how being a no loan institution might

[2] 2024-25 interest rate for federal direct loan: 6.53%
2024-25 interest rate for Parent Loan for Undergraduate Students (PLUS): 9.08%

impact who applies to Harvey Mudd and who ultimately enrolls. It might be fair to assume that this policy could lead to both more applications and more low income students enrolling, although we can assume that the policy would be attractive to all families applying for financial aid. It should be noted that students and parents would still be able to take out federal, PLUS and private loans to help pay for their family contribution, if they chose. However, proposed legislation being considered by the House Committee on Education and Workforce as part of the reconciliation bill may place limits or eliminate certain aspects of the federal student loan program.[3]

Based on 2024-25 enrollment and borrowing:

Students impacted:	299	(32% of HMC students)
Additional annual financial aid needed:	$1,861,154	
Endowment needed to fully fund:	$37.2M	

- **Pros**
  - Lowering or removing the indebtedness of our graduates will allow them to make decisions about their future disconnected to loan repayment.
  - Easily understandable by the public since other well-resourced institutions are already doing this.
  - Could increase applications to HMC from all students but in particular for those from lower income families.
  - Will reduce HMC's net cost.
- **Considerations**
  - Would be difficult to predict yield for students without loans in the first year or two, making budgeting for class size and financial aid more challenging.
  - May not impact as many students as we imagine since fewer students choose to borrow at HMC than other institutions and, for the most part, students with incomes of under $100,000 are already being packaged without loans.

[3] Details available at: https://www.nasfaa.org/news-item/36202/Reconciliation_Deep_Dive_House_Committee_Proposes_Major_Overhaul_of_Federal_Student_Loans_Repayment_and_PSLF

8 The Case for Removing Home Equity from Financial Aid Consideration

Any conversation about the cost of college ultimately comes around to the discussion of the middle class and upper middle class who are the groups that most feel the pressure of rising college costs. They often qualify for little or no need-based assistance and are being asked to spend a large percentage of their yearly income paying for college. In some cases, the reason these families are not qualifying for a greater amount of need-based aid is due to how colleges consider home equity in creating a financial aid package. Only a small number of institutions consider home equity in their financial aid process, since it is only a factor if a college uses not just federal methodology (based on the FAFSA) but also institutional methodology, most often determined by the College Scholarship Service (CSS) profile. That said, many of the institutions that do consider home equity are the most highly selective private institutions, so they are among our competitors.

Home equity is considered a parental asset, and if we were to evaluate home equity in the same way we do other parental assets, we would assume that 5% of that asset is available for use to support a student's education. However, considering how much home equity might be available, this can change a student's eligibility for aid. If a family has home equity of $500,000 the student would be eligible for $25,000 less in financial aid. Therefore, many institutions, including HMC, will cap the impact home equity will have on a financial aid package at two times the family's income. In that case, a family whose income is $150,000 but has home equity of $500,000 would be evaluated at 5% of $300,000, or $15,000. However, even with this cap, it is easy to imagine that HMC's financial aid package as compared to an institution that does not consider home equity, would be less generous.

Removing home equity as a consideration in financial aid packaging would impact a slightly smaller number of students than removing loans, although there would be some overlap. It also comes with a higher cost since, in a single year, the average amount a student borrows is about $4,500, whereas, on average, home equity could add $8,000 - $10,000 to a family's required contribution.

Based on 2024-25 enrollment:

Students impacted:	260	(28.4% of HMC students)
Additional annual financial aid needed:	$3.3M	
Endowment needed to fully fund:	$66M	

- **Pros**
  - Likely to have the largest impact on middle and upper middle income families who most feel the pressure of rising costs.
  - For most students, there will be a larger financial impact than removing loans.
  - Will reduce HMC's net cost.

- **Considerations**
  - More challenging for the public to understand; likely that families are not aware that home equity is being considered in the first place.
  - Less helpful to our neediest students.
  - We have noticed a steady decrease in home ownership among our enrolling students which is likely to continue. Therefore, the magnitude of impact would likely decrease as well.

To mitigate the high cost of introducing this option, a path forward in the shorter term would be to remove the consideration of home equity only from those in a certain income bracket and gradually raise the income threshold. While it is the case that this option is less understandable to families or the public, removing home equity would have a tangible impact on a family's eligibility, particularly those in the middle and upper-middle class.

9 The Case for Income Threshold Guarantees

From the earlier examples of recent financial aid announcements by other colleges and universities, it is clear that most institutions are opting for implementing strategies that give families the greatest amount of cost predictability based on their income. Some are also removing loans for the students with the greatest need. Given the number of such announcements that have been released recently, one challenge will be to determine income thresholds that will make HMC's aid as competitive as possible, knowing others will continue to improve their packages. Currently, almost all students with a family income of $75,000 or less and with typical assets are receiving grants that cover their full tuition and fees. Knowing that any substantial improvements to our financial aid packages would most likely be a key piece of a fundraising campaign and therefore be, at best, years away, it would be prudent of us to set fairly high income thresholds.

There is also more than one way to present these strategies. Most institutions have taken the path of noting that for students whose families are below a certain income threshold, the education will be tuition free, or in the lowest income brackets, tuition, fees, housing and food will be free. While this has become a popular approach, it still requires some calculations on the part of the family to determine what their contribution will be. All of the announcements have included a version of the phrase "with typical assets," in order to leave room to not include those that may report a lower income but have substantial assets. It should be noted that HMC has a number of families for whom this might be true due to real estate holdings or other assets, and these would have to be addressed on a case-by-case basis.

10 Indirect or Added Costs/Other Improvements

Cost of attendance

Another source of frustration for students and families stems from the costs beyond tuition, fees, housing and food. These additional costs–books and supplies, personal expenses, and transportation–are built into the official Cost of Attendance (COA), which represents a college's estimate of the total annual cost of attending. Each institution sets its own COA, and at HMC, ours includes:

- Books & Supplies — $ 800
- Personal Expenses — $1,400
- Transportation — Varies depending on distance between the student's home and the campus

What is often unclear to families is that students typically do not receive these amounts as direct payments or checks. For example, there is no separate disbursement for airfare. Instead, these expenses are included in the overall budget used to determine a student's eligibility for grant aid. The expectation is that families will cover these costs based on their demonstrated financial resources. Some of our highest-need students may receive a refund check if they have a credit on their account. However, these refunds usually arrive after the start of the semester. By that time, the funds may be too late to help with immediate needs such as buying a required laptop or covering travel expenses between home and campus. A more comprehensive approach to affordability would also address these up-front, pre-enrollment expenses, potentially through startup grants or similar support.

Student contribution

Students are expected to contribute toward the cost of their education. This contribution typically comes through "self-help" forms of financial aid, such as student employment and need-based educational loans. In addition, each student is expected to make a minimum student contribution, which is generally considered to be earnings from summer work.
At Harvey Mudd, the minimum student contribution increases each year:

- First year students — $1,500
- Second year students — $1,750
- Third year students — $1,900
- Fourth year students — $2,000

This contribution reflects a student's personal investment in their education. However, as students advance through college, they often pursue valuable summer opportunities such as internships, research, summer courses, or other academic and co-curricular experiences. While HMC strongly encourages students to explore these opportunities, many students find themselves unable to participate if they must prioritize summer employment to meet their expected contribution. Reducing the student contribution to a flat amount of $1,500 across all four years would still affirm the principle of student investment, while lowering the financial barrier to accessing meaningful summer experiences. Since this amount already applies to first-year students, the additional cost to the College would only apply to the second, third, and fourth years.

Work study

Most students who receive need-based aid are also packaged with a work study component, the amount of which increases each year from $4,500 in the first year to $5,400 in the senior year. While these amounts are built into students' financial aid packages, typically the money earned serves as students' spending money instead of a direct contribution toward tuition or fees. If a student chooses not to work or to work fewer hours than expected, the unearned portion becomes part of the family's financial responsibility. Harvey Mudd's work study expectations are the highest among the Claremont Colleges, despite the rigorous academic workload our students carry. Reducing this expectation would offer meaningful relief for our students and families.

Other costs

We recognize that not all student needs can be anticipated or captured in the standard COA. A more holistic approach to college affordability, would involve proactively identifying and covering **all** of the costs our families face. Examples of costs that are not automatically built into the COA but that some students repeatedly encounter include:

- **Student Health Plan (SHP) Insurance** for students not covered under their parent's insurance or for students who are under-insured
    - 2024-25 $3,125/year Impacts 256 students or 28% of HMC students
- **Technology needs**, such as laptops or tablets for students who do not already own them
- **Federal income taxes** required of international students receiving financial aid
- **Start-up grants** to support low-income students with initial college expenses

These additional burdens, while not always reflected in official financial aid figures, can significantly affect the college experience and should be addressed as a part of our broader commitment to ensuring affordability.

11 The Role of Merit Aid at Harvey Mudd

It is relatively uncommon for highly selective institutions like Harvey Mudd to offer merit aid, since such aid is typically used to help fill seats in an incoming class. Fortunately, given the strength and size of our applicant pool, HMC typically meets its enrollment goals without relying on this strategy. However, because we operate in an intensely competitive admissions landscape, we have long used merit aid to attract students who might not otherwise consider applying or enrolling at Mudd. Currently, the College has five main merit-based scholarships designed to help us remain competitive and broaden our reach.

- **President's Scholars Program (PSP)** - A full tuition scholarship for eight enrolling students each year which has typically helped HMC to enroll a more diverse student body. Until this year, the program had been geared toward students who have been underrepresented in STEM, including women, first generation to college students, students from lower socioeconomic or rural backgrounds, and Black, Latinx or Native students. In response to recent federal guidance regarding the consideration of race in admissions and scholarship programs, the College has refined the selection criteria. The program now emphasizes demonstrated financial need and impactful leadership.
- **FIRST Robotics Scholarship** - Awarded to one enrolling student each year who has competed in FIRST Robotics competitions. The current value of the scholarship is $27,183/year due to additional funding from a donor. Typically, the FIRST scholarship is $10,000/year.
- **VEX Robotics Scholarship** - Awarded to one enrolling student each year who has competed in VEX Robotics competitions. $10,000/year.
- **Harvey S. Mudd Merit Award** - $10,000/year awarded to the top 15-20% of admitted students based on the evaluation of the admission staff with a goal of 15% of the incoming class receiving the award.
- **Esterbrook Scholarship** - $20,000/year awarded to an exceptionally talented incoming student.

Part of the discussion of college affordability should also include the role of merit aid and whether it continues to be effective in attracting applicants and encouraging admitted students to apply. Over the past five years, HMC has spent an average of $3,900,000 on merit aid, some of which replaces need-based aid and some of which is awarded to students who would not otherwise qualify for aid. We could ask why not redirect the funding spent on merit aid into strengthening our need-based aid program, but we also need to consider our place in the admission market. The fact that Harvey Mudd offers merit aid when other institutions like us do not can be a draw for students and families who appreciate that their high-achieving students' accomplishments can be recognized even if they don't demonstrate financial need. While the President's Scholars Program has always been a draw for our applicants, Harriet's efforts to turn the scholarship into a true program with increased opportunities for the recipients to interact with trustees and industry and academic leaders creates an even greater appeal. In an ideal world, HMC's merit award offerings would be yet another way we communicate and reinforce our mission and values while still making our education affordable to a broader range and number of students.

Along these lines would be the recommendation to repurpose the funding currently spent on the Harvey S. Mudd Merit Award toward the creation of a new merit program that would provide scholarship dollars as well as additional opportunities for funded research alongside HMC faculty in the summers after a student's first and sophomore years. This would allow the opportunity to increase the value of the scholarship to an amount that would be more likely to influence a student's decision to enroll at Mudd while also addressing a need for more funding for summer research. Tentatively entitled **Mudd Opportunity for Research Experience**

(MORE) this program would be developed in close collaboration with faculty members and the associate dean of the faculty. While an ideal cohort size will be determined later, we might imagine 10 incoming students a year receiving an annual $25,000 scholarship and a summer stipend that is equal to the standard summer research stipend ($6,800 in 2025).

12 Aid for International Students - Global Leadership and Impact

In an increasingly interconnected world, the value of learning alongside peers from backgrounds and perspectives cannot be overstated. International students at Harvey Mudd College bring unique perspectives, enriching classroom discussions and campus life while preparing all students for global leadership and collaboration. One of the most powerful ways HMC can extend its impact is by educating students who will take what they've learned here and apply it to challenges across the globe.

Demand for a Harvey Mudd education is strong—and especially so among international applicants. Over the past decade, applications from non-U.S. citizens or permanent residents have risen by 77%, compared to a 30% increase among domestic applicants. Even more striking is the 212% increase in international applicants seeking financial aid during the same period. Notably, this growth has occurred with minimal international recruitment efforts in recent years.

Currently, international students comprise about 10% of the student body, but only three to four students each year receive financial aid, awarded through a need-aware admission process. This low number is not due to a lack of institutional will, but rather to resource constraints and the challenges of funding students who are not eligible for U.S. federal aid. International students who receive aid often require full coverage of tuition, room, and board, as well as additional support for travel, fees, and health insurance. While a few scholarships specifically support international students, demand continues to outpace our capacity.

Only 7-10 U.S. institutions are need-blind for international applicants. For HMC, becoming fully need-blind for international students is not feasible in the near term, especially given the difficulty of predicting yield in such a competitive pool. However, increasing the number of international students admitted with financial aid—from the current three or four to eight to ten per class—would be a meaningful step toward expanding global access and enhancing the international diversity and impact of the HMC community.

13 Pathways Forward

Harvey Mudd needs a comprehensive and holistic financial aid program that will remove the barrier of cost from the process of choosing a college and offer proactive support to our remarkably talented students. The ideal plan recognizes that paying for college is an intentional partnership between the College and the student where each is being asked to make an investment in the other. The financial and societal **value** of a Harvey Mudd education is clear. The plan will enable families to see the financial **possibility** of a Harvey Mudd education and will anticipate students' needs from pre-enrollment to graduation.

Options in the short term:

No loans for all families with income < $100,000	$700,000
Remove home equity for families with incomes $100,000 - $150,000	$620,000
Cap student summer contribution at $1500 for all 4 years	$84,000
Reduce work study expectations to range from $2800 to $3500	$114,246
Subsidize SHIP for all students with family income < $100,000	$160,000
Start-up grants for students with income < $100,000	$489,000

What we work toward:

Families with income < $200K (typical assets at $200K and not counting home equity)

Full tuition scholarship:

2021-2022 through 2024-25

Total 805 students	Percent already receiving grant > tuition	60.3%
	Percent receiving grant < tuition	39.7%
	Additional funding needed to bring all to full tuition	$4,798,670

Families with income < $100,000 (typical assets of $200K and not counting home equity)

$0 Family Contribution:

2021-2022 through 2024-25

Total 512 students	Additional funding needed to bring all to $0 family contribution	$5,458,365

14 Possible Titles and Taglines

As Harvey Mudd College considers how best to communicate its commitment to affordability, equity, and student success, a strong and memorable name for the new financial aid plan will be essential. The following tagline ideas aim to capture both the spirit and substance of our efforts which emphasize access, opportunity, and the transformative potential of a Mudd education. Whether through an initiative name like **The Mudd Opportunity Initiative**, a directional framework such as **MAP: The Mudd Access Pathway**, or a clear, values-driven phrase like **The Mudd Promise**, each option is paired with messaging that reinforces our mission: **Ensuring Opportunity, Empowering Impact**; **Where Ambition Meets Access**; and **Connecting Potential with Possibility**. These combinations are designed to inspire confidence and convey clarity to prospective students, families, and the broader community.

15 Conclusion

Clearly, there are multiple steps along the path toward greater college affordability which would allow us to gradually step up the generosity of our financial aid policies as additional funds are raised. Removing loans, removing the consideration of home equity, reaching a $0 family contribution for our neediest students and moving toward offering a full tuition scholarship to our middle-income students can all be done in income level increments. We will also need to consider how our costs and average family income will increase over time and plan accordingly, but seeing the magnitude of these costs based on current enrollment and spending is a helpful place to start.

Harvey Mudd students and alumni make a disproportionate positive impact in the world. This impact is a direct result of the education they receive at Harvey Mudd combined with their own ambition and talents. We owe it to our students to remove the barriers that may prevent them from enrolling or remaining at the College. The Harvey Mudd mission statement and commitment to understanding our impact inform all of our decisions at the College. Financial aid should not be an exception.

Task Force Members

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