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Harvard Increases Size of Financial-Aid Packages by \$2,000 a Student

By [SCOTT CARLSON](#)

Harvard University announced on Wednesday that it would increase its financial-aid budget by \$8.3-million and give all aid recipients an additional \$2,000 to reduce the "self-help" portion of their aid packages. Students are normally expected to pay \$5,150 in "self help," either out-of-pocket or through a loan; they will now have to pay only \$3,150.

Harvard's shift comes in the wake of Princeton University's recent announcement that it would spend \$16-million from its endowment to give students grants instead of loans. (See [an article from *The Chronicle*](#), February 9.) Consultants and observers in higher education said that Princeton's policy would set off a "bidding war" for top students among elite colleges.

Since Princeton's announcement, some Harvard students have been pushing the university to change its aid policies. *The Harvard Crimson*, the student newspaper, recently ran an editorial saying, "In its quest to assemble the most stimulating intellectual and social undergraduate community, Harvard must do its best to ensure that no one rejects an offer of admission because of limited finances."

However, Sally Baker, a spokeswoman for Harvard, said that the aid increase was not tied to Princeton's, "but done in the same economic climate that makes these kinds of things possible."

"If it has any connection it's to the economy and the availability of funds to do this," she said. Thanks to the robust economy, Harvard's endowment expanded to more than \$19-billion last year. (See [an article from *The Chronicle*](#), October 13, 2000.)

Meetings about the aid increase had been going on for several months. "We had to come up with a program that was Harvard specific, and that takes a while -- lots of meetings with leaders of the college and the corporation," Ms. Baker said. Jeremy R. Knowles, the dean of the Faculty of Arts and Sciences made the final decision about the increase last week.

While aid will increase, tuition at the college will also rise by 3.5 percent next year, to \$34,269, from \$31,110. Ms. Baker said that the tuition hike would not necessarily eat up the aid increase, as some needy students might get more financial aid. "Those decisions will be made on a student-by-student basis," she said.

Reactions among student representatives were mainly positive.

Paul A. Gusmorino III, a junior and the president of the Undergraduate Council, said the aid increase would free working students and help them take advantage of more opportunities at Harvard. However, he had not heard about the rise in tuition; he said the joint tuition-aid increase was a "weird kind of move," but he declined further comment until he could study the matter.