2013 – 2014 Cost of Living Stipend Recommendation

Housing and Community Affairs
Graduate Student Council

Marzyeh Ghassemi, Andrea Dubin,
HCA Committee
Graduate Student Council
Structure

- Objectives
- Data Sources and Methodology
- Housing and Rents
- Competitive Landscape
- Student-CPI at MIT
- Conclusions
Objectives
Objectives

• Our goal is to present the minimum increase for graduate students’ stipends to maintain standard of living.

• Support inter-institute stipend competition.

• This year, we’ve added new data sources and a competitive analysis.
Historical Context

- 2001–2002: HCA begins to investigate stipends
- Fall 2002: Cost of Living Survey 1
- 2002–2003: HCA/ODGE partnership formalized
- Jan 7, 2003: First Dean’s Group presentation
- Fall 2007: Cost of Living Survey 2
- Fall 2011: Cost of Living Survey 3
- Fall 2015: Cost of Living Survey 4 (projected)
Current Context

• Rapidly rising off campus rents are raising the student CPI.

• Stipends come out of departmental and investigator grants.

• Recent governmental agency cuts have increased the competitive nature of research grants.

• Intra-institute competition with postdoctoral appointments is not sustainable.
Data Sources and Methodology
Data Sources

• 2011 Cost of Living Survey
  – Conducted through the Office of Institutional Research (Provost’s Office) in collaboration with GSC (51.59% response rate - 3,359/6,510)

• 2013 Quality of Life Survey

• Registrar/Enrollment Statistics

• Off-campus Data
  – MIT Off-Campus Housing Office (OCH) – Moderated dataset of landlord/real estate listings (~1800-3200/year). Allows hyper-local analysis of rents, and listings (Cambridge, Somerville, Medford, Boston, Lexington, etc.)
  – Cambridge Community Development Department - Additional data.

• 2012 - 2014 Consumer Price Index (CPI)
  – Published by the U.S. Bureau of Labor Statistics
  – Data is for Boston-Brockton-Nashua, MA-NH-ME-CT
**Methodology**

- The Cost of Living Survey broke student expenses into buckets based on CPI categories.

- We rescale each expense buckets to current day using CPI and MIT Off/On-Campus Housing data.

<table>
<thead>
<tr>
<th>Cost Item</th>
<th>Scaling Data Source</th>
</tr>
</thead>
<tbody>
<tr>
<td>Rent</td>
<td>MIT OCH/On-Campus Rent</td>
</tr>
<tr>
<td>Food, Transportation, Utilities, Books, Medical, Childcare</td>
<td>CPI Buckets</td>
</tr>
</tbody>
</table>

- Calculate expense increase in consecutive years to arrive at average student CPI increase from a population-based weighted sum.
Housing and Rents
Where Do Students Live?

By Numbers

Source: MIT Institutional Research
On-Campus Housing

• On-campus housing is only able to accommodate 38% of graduate students (including those living in undergraduate housing).

• Operating at full capacity with waitlist.

• The graduate housing taskforce is further examining the current demand for on-campus housing.

Source: MIT Residential Life & Dining
Comparison of Rents
Cambridge Community Development vs. MIT Off-Campus Housing

Source: MIT OCH and CCD
Self-Reported Rent Prices

Source: 2013 MIT Quality of Life Survey
OCH Data By Type

Source: MIT OCH
## 2012-2013 Rent Increases (Per person)

<table>
<thead>
<tr>
<th>Source</th>
<th>Room Type</th>
<th>Percent Price Increase</th>
</tr>
</thead>
<tbody>
<tr>
<td>OCH</td>
<td>Studio</td>
<td>11.29%</td>
</tr>
<tr>
<td>OCH</td>
<td>1 BR</td>
<td>8.88%</td>
</tr>
<tr>
<td>OCH</td>
<td>2 BR</td>
<td>4.99%</td>
</tr>
<tr>
<td>OCH</td>
<td>3 BR</td>
<td>8.75%</td>
</tr>
<tr>
<td>OCH</td>
<td>4 BR</td>
<td>10.30%</td>
</tr>
<tr>
<td>CCDD</td>
<td>1 BR</td>
<td>8.70%</td>
</tr>
<tr>
<td>CCDD</td>
<td>2 BR</td>
<td>11.57%</td>
</tr>
<tr>
<td>CCDD</td>
<td>3 BR</td>
<td>8.00%</td>
</tr>
</tbody>
</table>

Weighted off-campus housing increase (OCH): **8.67%**

Source: MIT OCH and CCD
Competitive Landscape
Finances Are Important

Admitted Doctoral Students: How Important Was Financial Support to Your Decision to...

Enroll at MIT?

- Extremely Important: 30%
- Not Very Important: 19%
- Somewhat Important: 46%
- Not Important: 5%

Enroll at Another Institution?

- Extremely Important: 49%
- Not Very Important: 14%
- Somewhat Important: 25%
- Not Important: 12%

Source: IR Incoming PhD Survey 2013
Competitive Analysis

<table>
<thead>
<tr>
<th>Institute</th>
<th>Average Per-Year Stipend Increase (2010-2013):</th>
<th>Number of &quot;Peer&quot; Departments</th>
</tr>
</thead>
<tbody>
<tr>
<td>MIT</td>
<td>3.19%</td>
<td>-</td>
</tr>
<tr>
<td>Stanford</td>
<td>3.69%</td>
<td>28</td>
</tr>
<tr>
<td>Harvard</td>
<td>~3%</td>
<td>24</td>
</tr>
<tr>
<td>Princeton</td>
<td>-</td>
<td>23</td>
</tr>
</tbody>
</table>

**Annual RA Rates 2013**

<table>
<thead>
<tr>
<th>Institute</th>
<th>Minimum RA Rate</th>
<th>EECS, SEAS&amp;GSAS, Stanford CS Pre-Qual Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>MIT</td>
<td>$28,772</td>
<td>$31,968</td>
</tr>
<tr>
<td>Harvard</td>
<td>$32,232</td>
<td></td>
</tr>
<tr>
<td>Princeton</td>
<td>$33,560</td>
<td></td>
</tr>
<tr>
<td>Stanford</td>
<td>$33,172</td>
<td>$34,000</td>
</tr>
</tbody>
</table>

Sources:  
http://www.stanford.edu/dept/finaid/faculty_staff/gfs/salary13  
http://www.seas.harvard.edu/audiences/prospective-graduates/funding  
http://www.princeton.edu/gradschool/financial/assistantships/research  
Alex Sandra Pinedo, Stanford Computer Science Lab Manager
Palo Alto vs. Cambridge?

- ~4,950 (~57%) Stanford grad students live on campus
- ~2,330 (~35%) MIT graduate students live on campus

<table>
<thead>
<tr>
<th></th>
<th>Single Students</th>
</tr>
</thead>
<tbody>
<tr>
<td>MIT On-Campus</td>
<td>$760/month - $1,695/month</td>
</tr>
<tr>
<td>(1,925/408 units)</td>
<td></td>
</tr>
<tr>
<td>Stanford On-Campus</td>
<td>$678/month - $1,679/month</td>
</tr>
<tr>
<td>(3,793/608 units)</td>
<td></td>
</tr>
<tr>
<td>Stanford Off-campus Subsidized</td>
<td>$1006/month</td>
</tr>
<tr>
<td>(398/45 units)</td>
<td></td>
</tr>
</tbody>
</table>

Local CPI Increases in San Francisco vs. Boston Areas

Sources: U.S. Bureau of Labor Statistics
http://housing.mit.edu/graduatefamily/residences
Student-CPI at MIT
The 2011 CoL Survey collected data from students based on previous year expenses. In this graph we scale the expense buckets up to present day.
## Calculation Summary

<table>
<thead>
<tr>
<th>Local CPI</th>
<th>Change from AY12-13</th>
</tr>
</thead>
<tbody>
<tr>
<td>Food</td>
<td>1.49%</td>
</tr>
<tr>
<td>Transport</td>
<td>1.92%</td>
</tr>
<tr>
<td>Utilities</td>
<td>1.47%</td>
</tr>
<tr>
<td>Textbooks</td>
<td>3.26%</td>
</tr>
<tr>
<td>Medical Care</td>
<td>2.60%</td>
</tr>
<tr>
<td>Childcare</td>
<td>2.64%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Rent</th>
<th>Change from AY12-13</th>
</tr>
</thead>
<tbody>
<tr>
<td>Off-campus</td>
<td>8.67%</td>
</tr>
<tr>
<td>On-campus</td>
<td>3.50%</td>
</tr>
</tbody>
</table>

### On-Campus
- Rent: 53.30%
- Food: 25.16%
- Transport: 13.28%
- Other: 2.22%
- Books: 3.22%
- Medical: 2.04%
- Childcare: 0.55%

### Off-Campus
- Rent: 52.46%
- Food: 21.11%
- Transport: 12.22%
- Other: 2.32%
- Utilities: 6.92%
- Books: 2.24%
- Medical: 2.04%
- Childcare: 0.69%
2011 – 2013 Student CPI

Off Campus (4352) 6.21% Increase

2012 Stipend 3.5% Increase

Off Campus (4352) 11.36% Increase

Total Grads (6773) 5.8% Increase

Maintain 2011 standard of living.
2012 – 2013 Student CPI

On Campus (2421)  
2.65% Increase

Off Campus (4352)  
5.46% Increase

Total Grads (6773)  
4.47% Increase

Maintain 2012 standard of living.
Averages vs. Subgroups

Student Cost Of Living vs. Stipend Increases

- Off-Campus Cost of Living
- Weighted Average Student Cost of Living
- On-Campus Cost of Living
- Stipend Increases
Conclusions
Key Drivers

• 2/3 of students live off-campus, and OCH increased by an average of 8.67% per-person.

• Need to maintain our competitive edge w.r.t. our peers.

• Financial support is an important factor in admitted PhD school choice.

• As stipend information becomes more public, we want be a top choice for prospective students.
5.8% increase to stipends will maintain 2011 standard of living.

Footnote: 14% - Match MIT EECS to Stanford CS Post-Qual
15.29% - Match MIT Min to Stanford Min
Additional Considerations

• Our recommendation is based on a “mean” student.

• Off campus students, and students with children, are at a financial disadvantage.

• The outcomes of the Housing Strategy Taskforce and the East Campus Steering Committee will have lasting impacts on MIT’s ability to house its students.
Acknowledgments

- Dean Christine Ortiz (ODGE)
- Vice President Maria Zuber
- Ms. Tasha Coppett (Off-Campus Housing)
- The HCA committee
- Kathleen Easterbrook (Economics PhD Candidate)
- Tristan Naumann (CS PhD Candidate)