

Goodbye loans, hello grants: Smith College to deliver big boost to students receiving need-based aid

By [Travis Andersen](#) Globe Staff, Updated October 22, 2021, 4:09 p.m.



Smith College in Northampton in February. CHRISTOPHER CAPOZZIELO/NEW YORK TIMES

Amid [a national student debt crisis](#) that shows no signs of ebbing, Smith College on Friday announced a dramatic step to ease the burden for students receiving need-based financial aid: Starting next fall, the college will replace loans with grants, making it the first women's college to implement such a sweeping change.

Smith President Kathleen McCartney said in a letter to the school community that the college

will “eliminate loans from its undergraduate financial aid packages for students receiving need-based institutional grants and replace the loan amount with grants from the college.”

Unlike loans, grants do not have to be paid back.

McCartney, a Medford native and daughter of a machinist, who served previously as dean of the Harvard Graduate School of Education, said in a follow-up phone interview Friday that the new policy is personal for her.

“I got to go to Tufts thanks to a generous financial aid package,” McCartney said. Paying it forward at Smith, she said, has been “a personal goal as well as a professional goal to increase accessibility.”

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The college, she said, has been developing its plan over the past year, helped by a [\\$40 million gift](#) from a Smith alumnus earmarked for financial aid, as well as strong returns on its endowment.

Asked if she felt other schools might follow the lead of Smith and other colleges that have adopted similar measures, McCartney sounded an optimistic note.

“I think all college presidents know that access and affordability are really the most important questions that they’re facing,” she said.

Smith, a private women's college in Northampton, enrolls more than 2,100 undergraduates with annual tuition and board costing more than \$75,000.

In [her letter](#), McCartney said the new policy will benefit currently enrolled first-year, sophomore, and junior students, as well as the college's Ada Comstock Scholars and future students. She said the move aligns with Smith's goal to expand accessibility to all qualified students regardless of financial resources.

The policy will have profound implications for racial justice on campus, she said, "given that, on average, Black and Latina/o students, at Smith and across the nation, graduate with more student debt than their peers."

The loans-to-grants push isn't the only change coming to campus next fall.

The college will also offer one-time "start-up grants" of \$1,000 to students with an expected family contribution of less than \$7,000, she said, on top of the students' regular financial aid packages.

About 21 percent of Smith students will qualify for those grants, McCartney said.

And seniors receiving need-based grants who plan to graduate in January or May will get \$2,000 one-time "launch grants" to help defray the costs of transitioning to post-college life.

"Taken together, these changes to our financial aid program represent a \$7 million annual increase to the financial aid budget, benefiting more than 60 percent of our students," McCartney wrote. A school spokeswoman said that translates to more than 1,550 undergrads.

All told next year, McCartney wrote, Smith will "award more than \$90 million" in financial aid.

Smith said in a separate statement that it's the first women's college to eliminate loans and joins "a select group of institutions" — including Harvard, Princeton, and Yale — to take the leap. About 20 schools nationwide award grants instead of loans, Smith said.

"This is a bold and significant investment for Smith, one that reflects the college's commitment to its students and their futures," said Alison Overseth, chair of Smith's Board of

Trustees, in the statement.

The national student debt crisis continues to roil working- and middle-class households from coast to coast, with [a pandemic-related moratorium on repaying federal student loans](#) set to expire at the end of January.

Roughly 44 million Americans have federal student loans totaling about \$1.6 trillion, the Globe [reported](#) in February, and some [7 million Americans over age 50](#) still have federal student loan debt, with the government [garnishing Social Security benefits](#) of tens of thousands of older people to recoup defaulted student loan debt.

Material from prior Globe stories was used in this report.

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