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**TO:** James B. Milliken, Chancellor, U. T. System Administration  
**FROM:** The U. T. System Student Advisory Council  
**DATE:** April 27<sup>th</sup>, 2020  
**RE:** Cost of Living Adjustments to Graduate Student Stipends

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The affordability of graduate education, including the cost of living, is a topic frequently identified as an area of concern among graduate students. Over the last six months, the 2019-2020 U. T. System Student Advisory Council worked on addressing the issue of graduate student affordability, specifically within the context of funding packages and stipends. This recommendation is a result of that work.

We have found that while some programs at U. T. institutions more regularly update stipends to match the cost of living (including but not limited to health care, housing, childcare, transportation, and general inflation), others have gone as long as eight years without making adjustments. The average annual inflation rate of 2-3% is justification alone to keep stipends updated. Rising costs of housing, health insurance, transportation and childcare further exacerbate the financial burden felt by many graduate students. Further, in analyzing the practices across all fourteen U. T. institutions, we concluded that not one has a formal process for updating graduate student stipends on any type of systematic or regular basis. It appears that the primary driver of graduate stipend updates is for programs to remain competitive from a marketing standpoint. While this approach supports the recruitment of the best and brightest students to our institutions, it undervalues the importance of making sure currently enrolled students are provided with living wages.

We recognize that adjusting graduate student stipends may place a financial strain on faculty advisors and graduate programs. However, our research has revealed that major federal agencies have increased their grant funding in recent years. For example, RO1 grants provided by the National Institutes of Health (NIH) have seen a 41.3% increase from 2009 to 2019 (Figure 1), which account for 58% of all funding coming from extramural awards in biomedical science (Reference 1). Similarly, the National Endowment for the Humanities (NEH) funding levels have steadily increased in recent years to counter inflation (Figure 2, Reference 2). These findings suggest that for graduate students who are paid through federal grants, cost of living adjustments could feasibly be included in grant budgets. In fact, updated cost of living data can and should be used by faculty when they budget proposals for grant applications.

We are confident that the solutions we put forth here are sustainable and can strengthen collaboration and transparency between our talented faculty, administrators and students. Therefore, we ask the U. T. System Board of Regents to consider our recommendation outlined below.

We recommend the U. T. System Board of Regents create a rule that requires all fourteen U. T. institutions to assemble a Cost of Living Adjustment (COLA) Committee comprised of faculty, students, graduate school administration, and financial aid representatives. At a minimum, this COLA Committee should convene every two years to discuss changes in the cost of living for graduate students and determine appropriate adjustments that should be made to graduate student stipends. While we recognize that an institution's ability to provide adjustments on a regular basis is contingent on a variety of budgetary circumstances, we think this exercise is important, nonetheless. We strongly believe that the establishment of COLA Committees at each institution will help to achieve three primary goals:

1. Competitive graduate stipends marketed to potential applicants will retain their value over time, reflecting an up-to-date, livable wage. Potential applicants around the U.S. are becoming more aware and concerned about the rising cost of living and stagnant graduate pay.
2. Graduate stipends will be determined with local considerations in mind, reflecting the unique needs of each institution. This local approach ensures that our diverse communities in the U. T. System are heard and empowered to tackle issues surrounding cost of living.
3. Future budget proposals for federal funding will reflect accurate and up-to-date cost of program expenditures which include graduate student stipends.

In conclusion, we view the creation of COLA Committees as an opportunity for the U. T. System to stand out as a leader on this national issue and we are hopeful that the Board of Regents will seriously consider this request.

Thank you for your consideration.

**References**

1) NIH Budget History, RO1-Equivalent Grants. Retrieved from:

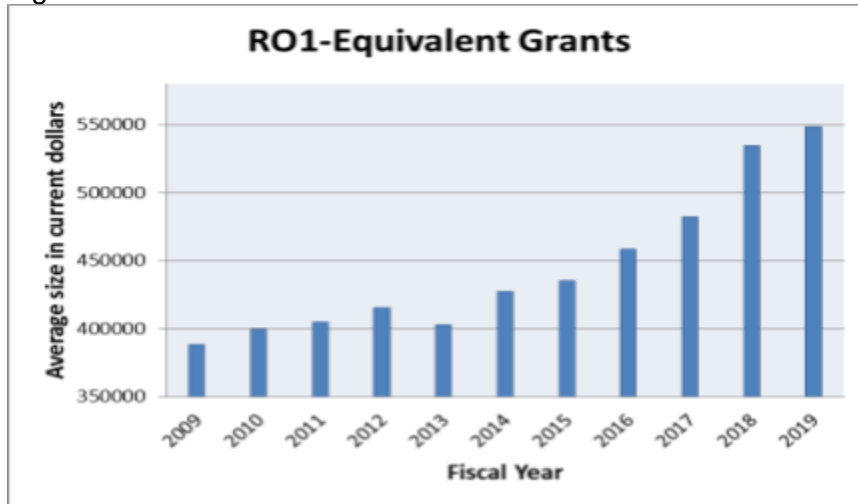
<https://report.nih.gov/nihdatabook/category/3>

2) National Endowment for the Humanities (NEH) Funding Levels. Retrieved from:

<https://www.humanitiesindicators.org/content/indicatorDoc.aspx?i=75>

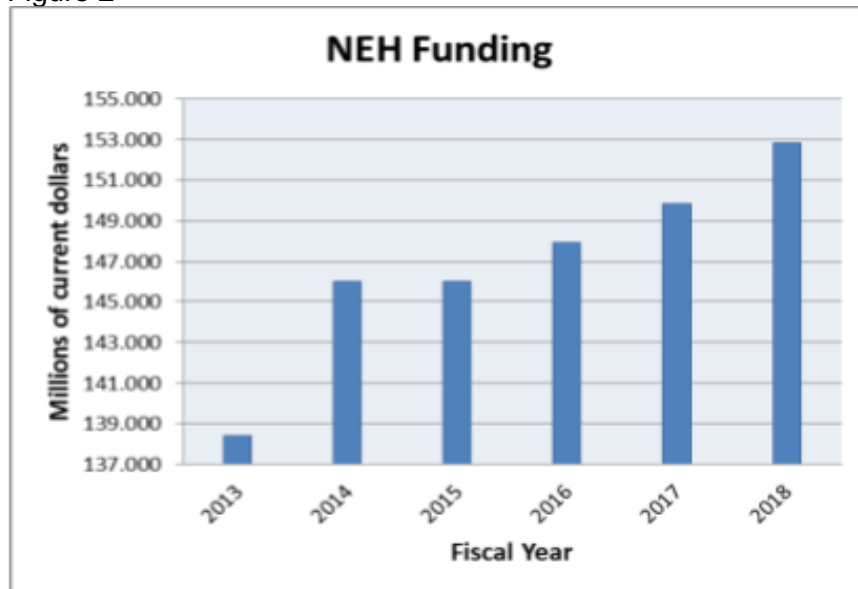
## Figures

Figure 1



**Figure SEQ Figure \\* ARABIC 1 RO1-Equivalent Grants.** Data curated from the National Institutes of Health Data Book (**Reference 1**) to reflect average funding of RO1-Equivalent Grants in current dollars from fiscal years 2009 to 2019.

Figure 2



**Figure SEQ Figure \\* ARABIC 2 NEH Funding.** Data curated from a Humanities Indicators provided by NEH's Office of Planning and Budget (**Reference 2**) to reflect overall funding from fiscal years 2013-2018.