

College Financial Aid Basics

It is important to understand, as you enter the college search process, that different colleges have varying philosophies and policies regarding financial aid. Some offer only need-based aid while others offer both need-based and merit-based aid. Some consider a student's need during the admissions process while others are "need-blind," agreeing to admit students without regard to their financial need. Some colleges meet every cent of a student's demonstrated financial need, others cannot afford to meet full need.

Knowing how individual colleges approach this important topic, and being aware of one's own interests, strengths, and financial needs, make it much easier for students to develop a list of colleges that will be most likely to provide both a great education and adequate financial aid. We encourage our students and families to be upfront with us about financial concerns, so that we can help you build college lists that include what some might call "financial safety schools" – colleges that are both a good match and lower cost.

We suggest that families sit down for a heart-to-heart talk about finances and how much money is available for a student's college education as the search process begins. It is important for parents to be candid about how their own priorities and values come into play here.

On the flip side, though, we also encourage all our families to remain hopeful and open-minded about college options despite financial concerns. Many of our families will find that through either need-based or merit-based aid programs, private colleges can easily be more affordable than public ones with lower price tags.

Need-Based Aid

The following discussion introduces you to the need-based financial aid process.

Financial Aid Terms

- All need-based financial aid applications have the same purpose: to determine how much a family can afford to pay each year for college. This amount is known as the **EFC**, or **Expected Family Contribution**.
- If the **COA** – the total **Cost of Attendance** – exceeds the EFC, a student is eligible for need-based financial aid.

Financial Aid Forms

- Public colleges and universities use only one form for determining financial need: the **Free Application for Federal Student Aid**, or **FAFSA**.
- This form primarily determines a student's eligibility for federal and state funds in the form of:

- Grants (which don't have to be paid back),
- Federal loans (which have to be repaid after college), and
 - Federally funded Work Study Programs
- The FAFSA should be submitted as soon as possible after January 1, 2011 for those who will attend college in the fall of 2011; it is due March 2, 2011
 - FAFSA online can be found at www.fafsa.ed.gov/ (you cannot begin/submit it until January 1)
 - IMPORTANT: Note that you will be completing the FAFSA for 2011-2012
- Because so much of the aid they give is from their own funds, as opposed to government resources, private institutions have an additional form – the CSS Profile – which asks somewhat more detailed questions about parent and student income and assets. (pg 28)
 - The Profile can be submitted as soon as it is complete, and ideally no later than January.
 - It currently costs \$9 for the initial application, and then there is a \$16 fee for each college; there is a built-in fee waiver calculator online.
 - When the time comes, you will complete the Profile at www.collegeboard.com (under the Pay for College header, click on CSS/Profile)
 - Note that you will be completing the Profile for 2011-2012

The Cal Grant

- One of the most helpful forms of state financial aid in California is known as the Cal Grant.
 - Cal Grant is a combination of need- and merit-based aid which varies in amount depending on the cost of a California college or university which a student attends.
 - To apply for a Cal Grant, students need only submit the FAFSA and apply to one or more colleges in California.
 - GPA verification is also required.

The Student Aid Report

- Soon after a financial aid application is submitted, the student will receive a form known as the **Student Aid Report**, or **SAR**.

- The SAR contains a summary of the information provided by the family, the EFC dollar figure, and indications of any inconsistencies or apparent mistakes in the data submitted.
- If the EFC is less than the COA – total Cost of Attendance for one year at a particular college – then the student knows that he or she is eligible for aid at that college.
- If the data is accepted as correct, this information is also forwarded to the colleges a student has indicated on the FAFSA application.

Special Circumstances

If something that could affect the amount of aid you'll need happens in your life/family (illness, job loss, other circumstances) after you initially apply for aid, you will need to tell colleges. For help, contact your college counselor.

The Award Letter

- If a student is admitted to a particular college, and is deemed eligible for need-based financial aid, the financial aid office will send a financial aid award letter along with the acceptance letter (or sometimes a few days later) from the Office of Admissions. This letter should include the following:
 - the total Cost of Attendance (COA) for one year
 - the student's Expected Family Contribution (EFC)
 - the amount of aid the student is being offered
 - an itemized list of the types of aid being offered, including the amounts of grant, loan, and work study
- Students have the right to accept or reject each specific item in a financial aid package.
- Award letters can differ greatly from one college to another, depending on many factors:
 - the student's "desirability" in the eyes of the college
 - the college's available resources

- the college's financial aid philosophy: for example, whether or not a college offers merit-based aid in addition to need-based aid

For this reason, do not assume that a "more expensive" college will necessarily be more expensive for you and your family! We suggest that you apply to schools with a range of costs, and then plan to compare aid packages in the spring to help determine where you will go.

Merit-Based Aid

Most merit-based aid will come from the colleges themselves, through special programs that students must apply to or through simple "bonus" dollars offered at the time of admission to needy and non-needy students. There are also, of course, many merit-based scholarships to which students can apply. We encourage our students to use the resources in our office and online (such as Naviance and FastWeb) in order to find scholarships that might apply to them.