


## Understanding the Financial Aid Process



**CFS**  
College Funding Services

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### How do they determine if I'm eligible?

- **COA - EFC = NEED**
  - COA = Cost of Attendance
    - (Includes tuition, books, room/board, etc.)
- EFC = Expected Family Contribution
  - (Based on parent and student income, assets, age, number of students in school, etc.)
- Need = Amount of aid the family is *eligible*

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### What should we know about our Family Contribution?

- Asset Protection Allowance
- What is considered an asset?
- Parental Assets vs. Student Assets
- Is debt considered?
- How should we value our home?
  - [www.finaid.com](http://www.finaid.com)
  - Calculators
  - Federal Housing Index

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### What should we know about our Family Contribution?

- Parent Income vs. Student Income
- Student Income allowance = \$6,420
- Self-employed families
  - Do NOT include business assets/worth on FAFSA if you have less than 100 employees
  - Salary to a dependent as tax benefit detrimental for financial aid



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### How much should students borrow?

- NO MORE than Average Starting Salary by Major:

● Engineering	\$62,891
● Computer Science	\$62,103
● Business	\$57,229
● Communications	\$48,253
● Math/Science	\$44,299
● Education	\$40,267
● Humanities/Social Sciences	\$38,049
● Unknown	\$30,000



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### Financial Aid

- Myths vs. reality:
  - Income too High
  - Grades too Low
  - Own a home
  - Aid is only for special groups
  - I can always apply next year
  - Private Scholarships



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### Sources of Financial Aid

- **FEDERAL GOVERNMENT**
  - Pell
  - PLUS
  - FDSL - Federal Direct Student Loan
    - Sub vs. Unsub
- **State Government**
  - Hesaa.org
  - NJ TAG
  - NJ Class Loans -- State Borrowing
- **College / Universities**
  - Private universities have endowment funds, outside of federal and state funds.
  - Create competition



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### What if I do not qualify for Need-Based Aid?

- **Merit Aid**
  - Top 25% of applicants
  - School by school basis; some more generous than others (some not at all)
- **Value Schools**
  - Average School cost \$30-\$70K
  - Lower end of range = Value
    - Ex. James Madison
      - COA = ~\$40,000
  - Honors Programs



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### How do you apply?

- **The FAFSA (Free Application for Federal Student Aid)**
  - EVERYONE must fill out this form to get aid
  - You cannot apply for Federal Loans if you do not fill one out
  - Not accessible until Oct. 1<sup>st</sup>, 2018
  - Accessible at FAFSA.ed.gov
  - 2017 is base income year for class of 2019
  - "Prior Prior" is new base income year
  - DEADLINES ARE PARAMOUNT



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### FAFSA - FSA ID

- New Login/Access Procedure: FSA ID
  - Required by student and one parent
  - Needed to access/submit the FAFSA
  - Username/Password (Replaced PIN number system)
  - Create Prior to preparing FAFSA:
    - FSAID.ed.gov



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### CSS/PROFILE

- Most private schools require this form
- Much more invasive and complex
- Home equity treated as liquid asset
- Section Q
- [www.collegeboard.com](http://www.collegeboard.com)
- \$25.00 for 1<sup>st</sup> school, \$16.00 for each thereafter



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### How do you apply for aid?



- Institutional Applications
  - Some schools require their own additional forms.
    - i.e., UPENN
  - They should be consistent with other forms
  - Usually asks similar questions to the other two forms



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## How do you apply for aid?

- FAFSA
- CSS/PROFILE
- College Institutional Forms
- Additional Forms:
  - Business/Farm Supplement
  - Divorced/Separated Situations




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## Case Study - Need

Amherst College  
 Cost - \$70,000  
 EFC - \$15,000  
 Need - \$55,000

UMASS-Amherst  
 Cost - \$11,000  
 EFC - \$15,000  
 Need - \$0,000

Amherst College  
 Meets 100% Need  
 Gift Aid - 100%  
 Self-Help - 0%

UMASS-Amherst  
 Meets 60% Need  
 Gift Aid - 50%  
 Self-Help - 50%

### What you actually pay at each school:

Amherst College  
 Total EFC = \$15,000  
 Total Gift = \$55,000  
 Total Cost = \$0

UMASS-AMHERST  
 Original EFC = \$15,000  
 + Unmet Need = \$1,000  
 Total Cost = \$16,000




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## Case Study: Non-Need, High Merit

Colgate University  
 Cost - \$70,000  
 EFC - \$70,000  
 Need - \$0

Case Western  
 Cost - \$55,000  
 EFC - \$70,000  
 Need - \$0

Colgate University  
 Need-based aid = \$0  
 Merit-based aid = \$0

Case Western  
 Need-based aid = \$0  
 Merit-based aid = \$30,000

### What you actually pay at each school:

Colgate University  
 Year 1 = \$70,000  
 Total Cost = \$280,000

Case Western  
 Year 1 = \$25,000  
 Total Cost = \$140,000




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## Case Studies: Non-Need

Cornell University  
Cost = \$75,000  
EFC = \$80,000  
Need = \$0

Cornell University  
Need-based aid = \$0  
Merit-based aid = \$0

What you actually pay at each school:

Cornell University  
Year 1 = \$75,000  
Total Cost = \$300,000

James Madison University  
Cost = \$38,000  
EFC = \$80,000  
Need = \$0

James Madison University  
Need-based aid = \$0  
Merit-based aid = \$0

James Madison University  
Year 1 = \$38,000  
Total Cost = \$152,000



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## How to appeal for the best possible package

### 5 Point Plan of Attack

1. Bring color/background to your story
2. Ask for specific amount of additional aid
3. Show awards offered by other colleges
4. Challenge expenses not considered on taxes
5. Be persistent



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