



# Financial Aid “FAQs” and Figures

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# What will we cover?

- Applying for Aid
- Cost of Education
- Need-Based Aid
- Merit-Based Aid
- Packaging / Awarding
- Additional Information
- Answer Your Questions



# What are the principles and purposes of need-based financial aid?

- Families have primary responsibility to pay for college
- Parents and students contribute to the extent they are able
- Provide students opportunity to attend college based on best fit
- Provide equity in distributing limited funds



# How do students apply for financial aid?

## FAFSA



- Free Application for Federal Student Aid
- [www.FAFSA.gov](http://www.FAFSA.gov)

## CSS Profile



- Profileonline.CollegeBoard.org

## Some schools also require:

- Tax returns and W-2 forms
- Non-custodial Parent PROFILE
- Institutional aid application



# Can an aid applicant apply as self-supporting?

- Students can apply as self-supporting IF:
  - They're 24 years of age
  - They're married
  - They're pursuing a graduate degree
  - They're in the Armed Forces or are a veteran
  - They have a child **and** provide more than 50% support
  - They're orphaned or are/have been a foster child
  - They've been emancipated by a state court
  - They have a court-appointed legal guardian
  - They're homeless or at risk of being homeless



# How is aid eligibility determined?

Cost of education

- Expected Financial Assistance  
(outside resources)

- Calculated family contribution

= Student's financial need



# What is included in the cost of education?

- Tuition and fees
- Room and board
- Books and supplies
- Transportation
- Miscellaneous personal expenses



# Are there other costs that can be considered?

- Computer (one time)
- Student Health Insurance
- Child/dependent care costs
- Specialized equipment
- Supportive needs



# What are outside resources?

- Funds from sources **other than** the college/university
  - Clubs and civic organizations
  - Churches
  - Employers
  - Foundations
- Certain types of benefits (e.g., military)
- Private gifts



# What can outside resources do? What can't they do?

- They CAN replace self-help (loan and work) components of aid award
- They CAN fill in difference when schools “gap” award
- They CAN add to a merit-only award
  - Total of merit and outside award can't exceed total Cost of Education
- They CANNOT replace the Calculated Family Contribution in a need-based award



# What is the “family contribution?”

- A figure derived from the financial data provided on the FAFSA and/or PROFILE
- Represents the calculated capacity of the family to contribute toward the cost of education
- Takes into account factors such as income, assets, family size and number of children attending college
- Annually determined, so can change from year to year as factors change
- Ranges from zero (no capacity to contribute) to \$100,000 and above



# What are the components of the family contribution?

- Parent contribution from income (after allowances made)
- Parent contribution from assets (after allowances made)
- Student contribution from income and assets (if any)



# What about merit-based scholarships?

- Funds awarded on the basis of factors **other than** financial need
  - Academic factors
  - Talent factors
  - Service factors
  - (Fill in the blank) factors
- Procedures for being considered vary
  - Nomination process
  - Scholarship application
  - Admission application



# What about athletic scholarships?

- Awarded by athletics department, not admission/financial aid office
- Both partial and full athletic scholarships can be offered
- Some schools offer athletics, but not athletic scholarships (D-III)



# What are the typical components of a financial aid award/package?

- **Gift Aid**
  - Grants (Institutional, Federal, and State)
  - Merit-Based Scholarships
  - Funds not requiring work or repayment
- **Self Help**
  - Student Employment
  - Student Loans (at some schools)



# How is need met?

## Some sample aid packages

|                   | Davidson | Public U.                  | Private U.                 |
|-------------------|----------|----------------------------|----------------------------|
| <b>Cost</b>       | \$52,648 | \$22,000                   | \$35,000                   |
| <b>EFC</b>        | \$15,000 | \$15,000                   | \$15,000                   |
| <b>Need</b>       | \$37,648 | \$7,000                    | \$20,000                   |
| <b>Merit</b>      | \$0      | \$0                        | \$10,000                   |
| <b>Grant</b>      | \$35,548 | \$2,500                    | \$2,000                    |
| <b>Loan</b>       | \$0      | \$3,000                    | \$4,000                    |
| <b>Work Study</b> | \$2,100  | \$1,500                    | \$2,000                    |
| <b>Total Aid</b>  | \$37,648 | \$7,000                    | \$18,000                   |
| <b>Unmet Need</b> | \$0      | \$0                        | \$2,000                    |
| <b>Total Paid</b> | \$15,000 | \$15,000+loan<br>+interest | \$17,000+loan<br>+interest |





# What are some payment options?

- Monthly payment plans
- Federal Educational Loans
  - Student (Direct Stafford; Perkins)
  - Parents (Direct PLUS)
- Private Educational Loans



# What if my financial circumstances change?

- Institutions may choose to consider changed family circumstances at different times throughout year
- *Might* affect a family's funding options
- *Might not* affect family contribution



# Do you have any “consumer tips?”

- Hire an admission/aid consultant(?)
- Avoid scholarship programs that charge application fees
- Avoid scholarship search services that charge fees



# What are other things I should know?

- Deadlines are important
- Early Decision Admission—yes/no?
- Need-blind and need-sensitive
- Net Price Calculators
- May 1: National Candidates Reply Date



# What are some on-line resources?

- The College Board [www.collegeboard.org](http://www.collegeboard.org)
- SmartStudent Guide to Financial Aid [www.finaid.org](http://www.finaid.org)
- Federal government [www.ed.gov](http://www.ed.gov)
- Scholarship Web sites
- College Foundation of North Carolina [www.cfnc.org](http://www.cfnc.org)
- School Web sites
- [www.davidson.edu](http://www.davidson.edu)



# Additional Questions?

## Thank you for coming!

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