



April

Understanding College Costs

College Costs Vary

The biggest part of college costs is usually tuition. Tuition is the price you pay for classes. Along with tuition, you'll probably have to pay some other fees to enroll in and attend a college. Tuition and fees vary from college to college.

Other college costs include room and board, books and supplies, transportation, and personal expenses. Just like tuition, these costs vary from college to college. And students can find ways to save money on most of these expenses.

One important thing to understand is that the published price of attending a college is not usually what students actually pay. They often pay less, thanks to financial aid.

Financial Aid Reduces Your Cost

Financial aid is money given or lent to you to help you pay for college. It may be awarded to you based on your financial need alone, or based partly on factors such as proven academic, artistic, or athletic ability. Most full-time college students receive some form of financial aid. The actual, final price (or "net price") you'll pay for a specific college is the difference between the published price to attend that college, minus any grants, scholarships and education tax benefits for which you may be eligible. The difference between the published price and the net price can be considerable.

How Do Net Price Calculators Work?

A college's net price calculator asks you questions about your family's finances and may also ask you questions about your GPA, test scores, activities and other things that may qualify you for financial aid. It uses your answers to figure out how much money in grants and scholarships the college is likely to award you. It then subtracts that number from the full cost of attendance to estimate how much the college might really cost you.

Many net price calculators also provide information about other kinds of financial aid you might be offered. These include loans and work-study jobs.

Why Are Net Price Calculators Important?

By providing personalized estimates, net price calculators offer a more informed way of deciding which colleges you can afford. Knowing your net price:

- Gives you the best idea of what you'll pay for a particular college
- Makes comparing colleges easier
- Widens your choice of colleges

When you look at the net price instead of the published price, colleges you thought were out of your reach may turn out to be affordable. A college with a high published price might offer its students a lot of financial aid — so it might actually be cheaper than a college with a low published price.

Also, different students get different amounts of gift aid. That's where a net price calculator comes in — it figures out what gift aid you might be eligible for.

Tips

As you use net price calculators:

- Answer each question as accurately as possible. The more accurate the numbers you provide are, the more accurate the result.
- Remember that they provide estimates only. The actual price you pay to go to a particular college may be higher or lower than the estimate its net price calculator provides.

**information taken from <http://bigfuture.collegeboard.org>*

*By federal mandate, every college and university is required to have a net price calculator on their website. Keep in mind that some schools use different names for the tool. Some examples include: personal cost estimator or financial aid estimator.

How Financial Aid Works

Financial aid is intended to make up the difference between what your family can afford to pay and what college costs. Over half of the students currently enrolled in college receive some sort of financial aid to help pay college costs.

In a Nutshell

The financial aid system is based on the goal of equal access—that anyone should be able to attend college, regardless of financial circumstances. Here's how the system works:

Students and their families are expected to contribute to the cost of college to the extent that they're able. If a family is unable to contribute the entire cost, financial aid is available to bridge the gap.

Who Decides How Much My Family Is Able to Contribute?

The amount your family is able to contribute is frequently referred to as the Expected Family Contribution, or EFC. The figure is determined by whomever is awarding the aid—usually the federal government or individual colleges and universities.

The federal government and financial aid offices use need formulas that analyze your family's financial circumstances (things like income, assets, and family size) and compare them proportionally with other families' financial circumstances.

What the EFC Figure Means for Most Families

First, most families can't just pay the EFC out of current income alone. The formulas assume that families will meet their contribution through a combination of savings, current income, and borrowing.

Second, financial aid is limited. The formulas therefore measure a particular family's ability to pay against other families' ability to pay.

Here is a chart that tries to explain things a bit more clearly:

How much school costs	-	How much you can afford	=	How much you need
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Financial Aid officers prefer using other terminology to express the same meaning. Here is **exactly the same equation** written using financial aid jargon:

Cost of Attendance	-	Estimated Family Contribution	=	Your Need
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<p>The cost of attendance refers to the total cost of tuition, room & board, insurance, books, transportation, and other fees. Be cautious not to confuse tuition with cost of attendance – one will be higher than the other!</p>	<p>Your estimated family contribution (EFC) is the amount of money the federal government has determined you and your family can afford to contribute toward your education. Uncle Sam determines your EFC from your answers on the Free Application for Federal Student Aid (FAFSA).</p>	<p>Your NEED is the amount that remains to be paid. If you are lucky, the schools to which you apply will "<i>meet</i>" all of your need with grants, loans and work–study. Any left–over amount is called unmet need.</p>
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*Diagrams taken from <http://www.princetonreview.com/federal-student-aid.aspx>.

Three Main Types of Financial Aid

Financial aid is any type of assistance used to pay college costs, some of which is based on financial need.

Grants and Scholarships

Also called gift aid, grants don't have to be repaid and you don't need to work to earn them. Grant aid comes from federal and state governments and from individual colleges. Scholarships are usually awarded based on merit.

Loans

Most financial aid comes in the form of loans, aid that must be repaid. Most loans that are awarded based on financial need are low-interest loans sponsored by the federal government. Some of these loans are subsidized by the government so no interest accrues until you begin repayment after you graduate.

Work

Student employment and work-study aid helps students pay for educational costs such as books, supplies, and personal expenses. Work-study is a federal program which provides students with part-time employment to help meet their financial needs and gives them work experience while serving their campuses and surrounding communities.

Don't Rule Out Colleges with Higher Costs

Say your EFC is \$5,000. At a college with a total cost of \$8,000, you'd be eligible for *up to* \$3,000 in financial aid. At a college with a total cost of \$25,000, you'd be eligible for *up to* \$20,000 in aid. In other words, your

family might be asked to contribute the same amount at both colleges. The difference may be in the type of aid provided to fill the void.

Financial Aid: FAQs

There are billions of dollars of financial aid available to students who need help paying for college. If you want this assistance, it's important that you determine your eligibility and apply on time.

How many college students get financial aid?

About two-thirds of full-time undergraduate college students receive some type of financial aid in the form of grants, scholarships, loans or work-study. Approximately 39 percent of financial aid dollars awarded to undergraduates are in the form of federal loans, and the rest are grants, scholarships, federal work-study, and tax credits and deductions.

Does applying for financial aid hurt my chances of being admitted?

Not usually. You are generally admitted based on your academic performance and the qualities you bring to the campus community. Colleges want to admit a diverse group of students and often use financial aid to achieve that goal. It is very important to apply for financial aid early in the application process, before all of a college's funds are allocated.

Do I qualify for aid even if I don't get straight A's?

It's true that many scholarships reward student performance in high school, but most government aid is based on financial need. Remember, if you do receive need-based aid, you must remain in good academic standing to renew your aid annually.

Are private colleges out of my reach?

Although the cost of college is certainly an important factor, it should not be the only thing focused on in your college-selection process. You should also concentrate on finding a college that is a good fit — one that meets your academic, career and personal needs.

In some cases, you might have a better chance of receiving aid from a private college and end up paying a lower total price than at a public college. Private colleges often offer more financial aid to attract students from every income level.

Is my family's income too high to qualify for aid?

Financial aid is intended to make college available to students from many different financial situations. College financial aid officers consider family income, the number of family members in college, medical expenses and many other factors when reviewing your financial aid application. So, even if you think your family income is too high for you to qualify for aid, you should fill out the Free Application for Federal Student Aid (FAFSA) between October 1 and March 1 of the senior year. This form determines your eligibility for federal and state student grants, work-study and federal loans.

As discussed earlier in this newsletter, the best way to get an estimate of how much financial aid a college will offer you — and therefore how much you'll really pay to go to that college — is to use the college's net price calculator.

Should I work while I'm attending college?

Students who attempt to juggle full-time work and full-time studies may have difficulty completing their academic programs. However, students who choose to work a moderate amount often do better academically.

You may find that working in campus jobs related to your career goals may be a good way to manage college costs, get experience and create new ties with the university.

Can I try to get my aid award revised?

Some colleges may be willing to review your financial aid package if your financial situation changes. Consider discussing these changes with the financial aid office if your family has experienced an unexpected decrease in income or increase in expenses since you applied for financial aid.

--Information taken from the College Board website, <http://www.collegeboard.org>.

Ten Questions for the Aid Office

Each college has its own financial aid policies—how outside scholarships are treated, whether aid awards can be appealed—information that may or may not appear in materials they send you. Make the most of a campus visit and schedule an interview with a member of the financial aid staff. The staff member will be able to answer specific questions about costs, the financial aid process, and options for financing your education.

Here are 10 questions to get you started:

1. What's the average total cost—including tuition and fees, books and supplies, room and board, travel, and other personal expenses—for the first year?
2. By how much might total costs increase each year? How much have tuition, fees, room and board increased over the last three to five years?
3. Does financial need have an impact on admission decisions? How is financial aid affected if I apply via an early decision or early action program?
4. Does the school offer need-based and merit-based financial aid? Are there other scholarships available that aren't based on financial need? Do I need to complete a separate application for merit-based scholarships?
5. What is the priority deadline to apply for financial aid?
6. When will I be notified about financial aid award decisions?
7. If the financial aid package isn't enough, under what conditions, if any, will the aid office reconsider the offer?
8. How will the aid package change from year to year? What will happen if my family's financial situation changes? What will happen if my enrollment status (or that of a family member) changes?
9. What are the terms and conditions of the aid programs included in the aid package? What are the academic requirements or other conditions for the renewal of financial aid, including scholarships?
10. When can I expect to receive bills from the college? Is there an option to spread the yearly payment over equal monthly installments?

--Information taken from the College Board website, <http://www.collegeboard.org>.

In the fall of the senior year, ZHS Counseling Office will host a financial aid night. This evening is an opportunity for parents to gain a better understanding of the financial aid process and filling out the FAFSA.