

## Before you Apply: Know What To Expect Financially (For Junior Families)

### YOU SHOULD KNOW NOW....

- Every school is different in how they process, provide, and fund financial aid - expect different amounts from each school
- The majority of schools do not have enough money to give you the financial aid you may actually need
- **Researching each school individually (websites, phone, & email) is crucial to your financial success in this process.**
- **International students** – Only some schools provide financial aid or scholarships for you. You usually must apply your first year in order to be considered for any future years, and it may negatively affect admissions predictability. An excellent list providing information on many schools is here: [Financial Aid for International Non-Citizens \(August 2023\)](#)

THERE ARE TWO MAIN TYPES OF FINANCIAL AID/SCHOLARSHIPS	
Need-based financial aid grants & scholarships	Merit-based (non-need-based) scholarships
<ul style="list-style-type: none"><li>- Based on a family's finances, college's policies, and financial aid application/s (<a href="#">FAFSA</a>, &amp; <a href="#">CSS Profile</a>, usually available Oct. 1)</li><li>- All accredited U.S. colleges offer need-based aid to eligible U.S. citizens</li><li>- Aid comes from college itself, US Dept. of Education, or US State.</li><li>- Includes <b>"gift aid"</b> ("free" money) AND/OR <b>"self help"</b> including <b>loans</b> (money borrowed to be repaid with interest) and/or <b>work expectation</b> (Work-study and/or summer earnings)</li><li>- <b>INCOME is the biggest factor</b> affecting your eligibility for need-based aid, NOT assets (Savings will not significantly "hurt" your chances for aid)</li></ul>	<ul style="list-style-type: none"><li>- Can come from college itself, or outside nonprofits, community organizations, or business</li><li>- Based on college's desire to recruit student (for specific talent or college's own recruitment goals/institutional priorities)</li><li>- <b>Not all colleges give merit aid</b> (most highly selective do not)</li><li>- <b>Is always "gift" (free) aid</b> (not loan or work expectation)</li><li>- <b>Largest amounts usually come from "safer" schools</b> (for student)</li><li>- Non-college affiliated scholarships take time, research, planning, and work to find and apply - there is no magic list of best ones</li><li>- <i>Some schools may reduce their own aid if you earn outside scholarships</i> - always ask but don't let this prevent your searching</li></ul>
<b>All types of scholarships and financial aid require individually researching each college's policies, requirements and deadlines!</b>	

### WHAT ALL FAMILIES CAN DO NOW TO PREPARE:

- 1) **Research Admissions Application Fees**
  - a. The majority of colleges will require you to pay a fee just to submit your application, usually between \$35-\$100.
  - b. Find this fee by googling "college name application fee" or search on [Common Application](#), or [CollegeData.com](#).
- 2) **Research (Google) "Total Cost of Attendance"** for each school you're thinking about on their own website or [CollegeData.com](#).
  - a. Add up annual tuition + fees, room (housing) and board (meals) - colleges may show tuition but hide room & board
  - b. [CollegeData.com](#) gives the clearest, and most accurate **total** cost: Search a college and click on "Financials" to find it.
    - i. **US students** - State or public schools of your state of residence will charge you lower "in-state" tuition
- 3) **(US Students Only): Use College/University [Net Price Calculators \(NPCs\)](#) to predict one year's aid and total cost:**
  - a. **EXCEPTIONS:** These aren't accurate for non-U.S. citizen students, self-employed families, and are only as accurate as the information that is input by the student/family
    - i. **Families with Divorced/Separated Parents** should carefully read NPC instructions: some colleges will want the NPC for only one parent, some may want both, may or may not require step-parent information, etc.  
More information here: <https://www.mefa.org/applying-financial-aid-parents-divorced/>
  - b. **Net price calculators are like a "mini" financial aid application** that estimate aid if you meet the criteria for eligibility. Schools that award merit aid may also ask for student grades & test scores (not always).
  - c. **College websites are required to have [Net Price Calculators](#)**, but they can be difficult to find. Google the school's name with "net price calculator", or type the college name into <https://collegecost.ed.gov/net-price>
  - d. Some schools also have what's called a **"MyinTuition Quick Cost Estimator"**. Do both for the most accurate estimate.
  - e. Take screenshots of *both* your input *and* results as a record and contact each school's financial aid office with questions
  - f. **Some schools offer "Financial Aid Early Read Estimates"**, especially for recruited athletes- it's worth asking, especially for Early Decision. These include: Franklin & Marshall, Hobart & William Smith, College of Wooster, Whitman.
- 4) **(U.S. Students Only): Know About Federal Student Loans:** Federal Direct student loans are limited to U.S. citizens, are between \$5,500 - \$7,500 per year, have a competitive interest rate, and offer more flexible repayment options. They are not credit-based; they are approved by completing the main financial aid application, the [Free Application for Federal Student Aid \(FAFSA\)](#). The U.S. national average 4-year federal undergrad loan debt is \$33,000, meaning roughly a \$330 monthly payment after graduation (to repay in 10 years). **These are the best educational loans available.**
  - a. **General Rules of Thumb:** Don't borrow more than your expected total salary upon graduation (consider graduate school debt too), and/or keep your monthly payment no more than 10% of your expected net monthly income
  - b. **Determine monthly loan payment on all predicted loans for 4 years.** Use a Loan calculator: <http://www.bankrate.com/calculators/college-planning/loan-calculator.aspx>

- c. **Figure out your annual salary estimate after you graduate** using salary estimate websites like [www.salary.com](http://www.salary.com), <https://www.payscale.com/college-salary-report/majors-that-pay-you-back/bachelors>, <https://www.bls.gov/bls/blswage.htm> (remember that salary changes based on location and years of work experience)
- 5) **Run your own personal “net price calculator” on your family finances.**
    - a. **Savings:** How much, if any, can you contribute per month, per year? *It is always worth it to save what you can toward college, and never too late to start – it is a huge myth that it “hurts” financial aid chances*
    - b. **Cash flow/Parent earnings:** How much, if any, can you squeeze out of your monthly cash flow? (per month, per year?) Colleges usually allow **monthly payment plans** instead of paying all at once (or borrowing bigger loans).
    - c. **Student Earning:** How much could students work and earn towards college bills while they’re a student (especially in summer?) *Research has consistently shown that working around 10 hours/week in college is healthiest balance*
    - d. **Parent Borrowing:** If family is considering borrowing, how much can you realistically borrow?
      - i. How much **monthly payment** can you afford? (Credit-based parent loans always have higher interest rates) <http://www.bankrate.com/calculators/college-planning/loan-calculator.aspx>
      - ii. Do you plan to help pay for **future schooling** for yourself, student, or other children? The vast majority of graduate (Master’s, MD, JD, Ph.D. etc) programs have very little scholarships and only offer loans.
      - iii. Is a credit-worthy family member willing and able to co-sign additional loans for student beyond federal student loans? (usually with higher interest rate, less flexible repayment - not recommended)
      - iv. Consider the [parent loan program through Dept. of Ed \(called PLUS\)](#). Compare with potential other private/alternative loan options (Consider interest rates, repayment flexibility, customer service, etc).
  - 6) **Understand merit (non-need-based) scholarship possibilities from colleges themselves and outside organizations**
    - a. Scholarship Advice: <https://www.consumerreports.org/paying-for-college/tips-for-scoring-college-scholarships/>
      - i. [My own Scholarship Advice One-Page PDF with links](#)
    - b. **MERIT SCHOLARSHIPS DIRECTLY FROM COLLEGES THEMSELVES** (usually the largest/most generous)
      - i. The “safer” the school for the student and/or the more a student matches what the college wants, the better chance of receiving merit aid. Google “*College name* admitted class profile” for averages and comparisons.
      - ii. The *most* selective schools offer only need-based aid, **NOT** merit aid.
      - iii. Most school merit aid doesn’t require a separate application, but double check just in case!
      - iv. ----[Top 50 Schools that Give the Most Merit Aid by](#) Road2College
    - c. **OTHER PRIVATE OUTSIDE SCHOLARSHIPS** require your own motivation, organization and time management
      - i. The vast majority of scholarships are around \$500 - \$1,000 or so per year, and have a need-based component
      - ii. **Colleges *might* not honor scholarships you receive** but this is rare- they may “absorb” your scholarship into existing aid - ask for each school’s policies on outside scholarships.
      - iii. **Start local & use your network:** check your public high school’s guidance website, community non-profit organizations, and library. Ask any family connections if their businesses or organizations have scholarships.
      - iv. **Never pay to apply for scholarships!** Some legitimate scholarship resources that won’t ask for your data include: [Bureau of Labor Statistics Scholarship Search](#), [College Greenlight/Appily](#), [JLV College Counseling](#), [Get2College Scholarship Search Tool](#), [MEFA \(Mass. Educational Financing Authority\)](#)
  - 7) **Ask questions** of the schools in which you’re most interested:
    - a. Is the total cost of attendance on the Net Price Calculator accurate? Are there any other fees we should be aware of?
    - b. Do you offer merit-based aid? If so, how is it awarded? Do I have to apply separately? Are they renewed annually?
    - c. Does your school meet 100% need? If not, is there an average “gap” that family has to pay, or average need met?
    - d. What is average debt upon graduation? Does this include private loans and/or parent loans, or just federal student?
    - e. How does your school handle outside scholarships earned from other organizations?
    - f. Does financial aid stay similar each year if my family situation doesn’t change much?

#### **LINGO TO KNOW (If it sounds too good to be true it probably is)**

**100% Need-based aid** = Family must “demonstrate” financial need to receive aid according to the college’s definition of your need.

**Meets 100% Full Demonstrated Need** = According to college’s definition of your need, they will “meet” your need with types of financial aid that may include loans and work expectations. (Ex. If you demonstrate 50% need, they could give you 40% scholarships & 10% loans)

**No Loan Policy** = A few selective schools advertise no loans, some advertise no loans for low-income only. You may still have to borrow loans if the college determines you have less than 100% financial need but you cannot afford your expected contribution.

**Full tuition scholarship** = Tuition only, not including fees, room, meal plan, books, etc. State schools have low tuition and high fees.

**Need blind:** Financial need is not considered when determining admission. **Need aware** means they do consider ability to pay a factor.

#### **Read more:**

**11 Misconceptions About Paying for College:** <https://files.constantcontact.com/235b8e48001/56e77198-b0c0-410e-aa62-07f4848f15c4.pdf>

**How Much College Can You Really Afford?:** <https://files.constantcontact.com/235b8e48001/57ca46bf-e1c6-4455-9189-016510fbac3d.pdf>

**What Your Family Can Afford For College :** <https://www.mykidscollegechoice.com/2017/05/09/what-can-your-family-afford-for-college/>

**Federal Student Aid Website:** <https://studentaid.ed.gov/sa/types>