Financial Aid: Paying for College

Student financial aid is money to help pay for the cost of attending college, tuition and fees, books and supplies, room and board, transportation, and personal expenses.

Most financial aid come in one of three basic forms:

- **Scholarships and grants:** "free" money that does not have to be paid back
- **Loans:** long-term, relatively low-interest loans that you must pay back. Repayment generally begins six months after you leave college.
- **Work-study:** part-time jobs that allow you to earn part of your expenses while you go to school

Each college financial aid office administers the student aid programs. The office processes financial aid applications and provides counseling services for students and families seeking financial aid. The financial aid office is your best single source of information about financial aid.

Expected Family Contribution (EFC)

In planning ahead, families need to consider two kinds of aid for their students. The first is need-based aid. After October 1st, during your student's senior year you fill out the Free Application for Federal Student Aid (FAFSA), the federal government will calculate each family's EFC (expected family contribution). That number is then deducted from the total cost of each college so that it can then award a financial aid package to the student. (For example, if the total cost to attend College X for a year is $35,000 and your family's EFC is $10,000, a package will be made up to cover the $25,000 difference). Families need not be surprised about what their EFC will be. Several websites allow you to type in your financial informationto calculate and esticamed EFC. The easiest to use is www.finaid.org. Go to the Calculators section, and with your prior, prior years tax returns in front of you (2019's returns if filling out the FAFSA for the 2021-2022 school year), type in the required information. Once you have determined your EFC, you can plan accordingly.

Be aware that many colleges gap (don't fully make up the difference between your EFC and the cost of attending), and many colleges practice preferential packaging. Preferential packaging involves the two elements - free money (direct grants to the student) and self-help (loans and work-study) - that make up all college financial aid packages. You need to investigate where your student fits in the pool of admitted students to estimate how he/she will be packaged.

Merit Aid

The second kind of monetary help is merit aid. Students who get need-based aid can be awarded merit aid as well, and students who have been determined not to have need (according to the federal government) may have to rely on some merit aid to offset the ever-higher costs of college. All but the most selective colleges offer some form of merit aid, often based on SAT/ACT scores and grade point averages. Other scholarships are based on the student's talents, i.e. music, artistic, athletics (in NCAA Division I and II schools only), leadership

etc.) In order to see what kind of merit aid each particular college offers, go to that college's website and investigate under the admissions or prospective students sections.

Financially Safe Schools

In choosing a list of colleges to apply to, think about the financial safety schools as well as safety schools in terms of admissibility. The basic strategy is to figure out where each student fits in the pool of admissible students. If your student is at the top end of students normally admitted to a certain school, he/she will probably get some merit aid. If he/she is in the middle range, he/she probably will not receive any. And remember the very most selective schools (the Ivy League and equivalent liberal arts colleges) because they save all of their funding for need-based aid and are very generous with that.

Ask Questions

When you are visiting colleges and developing college lists, ask questions so you can predict, as much as possible, what kind of financial help you will be able to get. Ask admissions officers and financial aid representatives at each college you visit about how they package students. Do they gap? Do they package preferentially? Go onto www.finaid.org to explore financing options, scholarship possibilities, and learn everything there is to know about how to pay for college.