



## Comparing Financial Aid Offers Can Be Tricky

### The Difficulties

Comparing the likelihood of receiving financial aid at various colleges is much more difficult than one would suppose. Despite a recent government requirement that colleges provide net price calculators on their websites, most of these provide little real help. These calculators differ considerably from one another in the amount of information they require applicants to provide, and most of the time the information submitted is less than adequate to get a realistic picture of what is likely to be forthcoming. Sometimes it's the parents who are reluctant to provide specific detailed information from their old tax returns, and sometimes it's the colleges themselves that are reluctant to ask for too much lest they end up discouraging potential applicants by giving low financial aid numbers.

Knowing the percentage of students receiving aid is fairly useless since a school may be giving tiny awards to large numbers of students. Even data on the average percentage of demonstrated need a school meets can be misleading if the average is skewed by a small number of very large awards.

### What to Ask

If the financial award is likely to impact your college choice, when you visit, ask if the college meets 100% of demonstrated need of the students they admit. If not, ask if the admissions process is "need blind" or "need aware." In other words, will checking the box on the application that you're applying for aid impact your chances of getting in. Many schools will tell you that they are "need blind" except for international or wait listed applicants. (And some schools create a wait list knowing they will definitely admit many students off of it for just this reason.)

Then ask for specific information about merit aid – how many merit awards the school gives, how big they are, and what the academic profile is of the students who receive them. Some

admissions officers can provide this information, but if they can't, it is perfectly appropriate to meet with someone in the Financial Aid office.

Other important information to find out is when colleges say they meet a certain percentage of need, how much of it is met with grants (gifts) versus loans or work/study. You can also ask about their graduates' average loan debt. They may or may not be able to tell you.

### **Comparing Financial Aid Award Letters**

These letters are challenging to make sense of and compare because they don't always contain all the information you really need. They may fail to state the total cost of attendance (which should include not just tuition but also room, board and textbook expenses). The stated amount of the award frequently includes loans, and there may be no indication that the grants may decline and the loans escalate over the four years of attendance. Grants are often linked to the student's GPA, so they will be lost if the GPA sinks below a specific rather high number, but the initial award letter does not always make that clear. Consequently, you will need to ask specific questions about the terms of renewability.

Parents should be aware that the PLUS loans they may be expected to take out are not included in the EFC (Estimated Family Contribution). Also, they must be prepared for the first bill to arrive in July, when they may be expected to pay 50% of the yearly bill in order for the student to register.

Students should be aware that their workload for their college courses may be much heavier than what they were accustomed to in high school, so it may be more difficult to devote as much time to a job, and they should think about whether they'll be able to attain the GPA they're aiming for while maintaining the number of hours on a job that's required by their aid package.

### **Outside Scholarships**

It's true that Finaid.org and Fastweb.com list hundreds of outside scholarships, but most of the time these won't do you all that much good. For one thing, if you obtain one, it's likely that the college will use it to reduce the amount of institutional support they offer rather than your own expected contribution. Second, most of these are for small amounts of money, and many are for one year only. Your best bet is to look at local scholarship opportunities which your high school counselor will know about or very specialized ones that are tied to a parent's employer or an activity you're heavily engaged in. For instance, the Chick Evans Caddie Scholarship provides full tuition and housing costs at Northwestern University for a select group of students who have worked as golf caddies and are sufficiently strong academically to be admitted to that highly selective university.

For families trying to determine how much loan debt they will be comfortable carrying, the Sallie Mae Repayment Calculator online is an excellent tool: <https://www.salliemae.com/plan-for-college/college-planning-toolbox/student-loan-repayment-calculator/>.