

Crib Sheet on College Financial Aid/Scholarships

Financial assistance/aid intended to lower the “sticker price” of attending a given college to the point where a family will accept the net price charged for their child to enroll. Intended to make college more affordable.

Current annual **sticker price** range (includes tuition, room and board, fees, books)

An elite, pricey, private college -- [Yale, Barnard, Swarthmore...] -- \$80,000

Other private colleges -- [Hofstra, Marist, Providence College] -- \$60,000

A public college out-of-state -- [UNC, Penn State, URI] -- \$45,000

A public 4-year college in state (Stonybrook, Geneseo) -- \$30,000

A 2-yr public community college (commuting to SCCS) -- < \$10,000

Forms of Financial Aid

1. Need-based – in recognition of an applicant family’s limited financial resources

-- \$\$ provided by the private college out of its resources (endowment; full-price payers)

-- \$\$ provided by the state or federal government out of tax revenues

2. “Merit”-based – in recognition of an applicant’s talents that would contribute to

the college’s wellbeing → academic achievement; athletic abilities; musical; public service; diversity; first-generation

--\$\$ offered by the college at the point of admission decision

Most elite private colleges give most of their financial aid on the basis of financial need and not through merit-based considerations. Other private colleges will make cuts in the sticker price for merit-based considerations in addition to need-based grants to encourage admitted students to enroll there.

“Need-Blind Colleges” v. “Need-Aware Colleges” – the former do not take financial circumstances into consideration when deciding to admit or reject; the latter do (in order to limit their financial exposure)

“Full Need Colleges” – Those colleges who commit to providing a financial aid package that covers the entire gap (100%) between the sticker price and the family’s financial capacities; “Non-Full Need Colleges” agree to make up only part of the gap

Need-based considerations – the applicant’s financial resources (as estimated by the information provided by family on the required federal government-generated FAFSA form)

<https://studentaid.gov/sites/default/files/2023-24-fafsa-worksheet.pdf>

The FAFSA form provides all the colleges to which a student is applying an estimate of what the family can reasonably contribute to the applicant’s expenses → “**Expected Family Contribution**” [EFC]

<https://fsapartners.ed.gov/sites/default/files/2022-08/2324EFCFormulaGuide.pdf>

Example of a family situation – family of 5

Family annual wages --\$100,000 [\$60,000/\$40,000]

Applicant’s wages --\$5,000

Family savings -- \$10,000 [does not include home equity or support from grandparents]

Applicant the oldest of 3 children → need to divide the EPC among 3

EPC for child #1 = \$15,000

Private college sticker price = \$60,000

What's /Who's to fill the full gap/need of \$45,000?

The college with the following devices:

- A straight-out grant of financial need \$\$ from its own funds for all or part of the gap/need
[Two kinds of colleges – “Full-Need-Met” and Not]
- Some college-controlled grant money from federal /federal sources for applicants from families with low annual income (< \$60,000) -- Pew grants/NY state TAP [\$6,000]
- work-study funds in exchange for student work [\$5,000]
- college-provided subsidized loans (to be repaid) –

If there is still a gap – and the college is not Full-Need-Covered -- then it falls to the family to come up with more (by additional borrowing; paying more than the EFC...)

OR, to go to a college to which the student is accepted that is cheaper.... or not go at all....

To be continued....

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