STORY

Small Town Outreach, Recruitment & Yield

Financial Aid 101

Paying for college can be confusing, especially if you are navigating the process for the first time. Financial aid is money that helps students and families cover the cost of college.

This guide explains the most common types of financial aid, required forms, and key terms so you can better understand what to expect and how to plan.

Understanding College Costs

Sticker Price vs. Net Price

- Sticker price is the published cost of attending a college, including tuition, housing, meals, and fees.
- Net price is what a family actually pays after financial aid is applied.
- Most students do not pay the full sticker price.

Need-Based Aid vs. Merit-Based Aid

Financial need is a calculation colleges use to estimate a family's ability to pay for higher education. It does not represent the amount a family will pay, nor does it guarantee a specific grant or scholarship award.

- Need-based aid is awarded based on a family's financial circumstances. Colleges use information from financial aid forms to determine eligibility.
- Merit-based aid is awarded based on academic achievement, talents, or other accomplishments, regardless of financial need.
- Many colleges prioritize need-based aid to make attendance affordable.

Cost of Attendance

Cost of attendance refers to the total estimated cost of attending a college or university for one academic year. This may include:

Tuition and Fees	The charge for academic classes
Room and Board	Costs for on-campus dorms, or off-campus housing, dining hall, and food
Books and supplies	Books for classes, laptop, and other supplies for classes with labs or additional material required
Health Insurance	School-provided coverage plans for those who are not already insured
Transportation	Gas and/or flights to and from the institution
Personal Expenses	Laundry, toiletries, etc. (often not included in the total cost of attendance but should be budgeted)

Types of Financial Aid

Institutional financial aid is offered directly by the college or university the student attends and may include grants, scholarships, or loans. Each school determines its financial aid eligibility and may base it on financial need, merit, or both.

Scholarships/Grants
A type of gift aid that students do not need to pay back. Scholarships may be awarded based on merit, need, or specific criteria and can come from the federal or state government, colleges, or outside organizations.

Federal Grants (Pell Grant)
Need-based aid that students do not have to repay.

Jobs/Work Study
Earnings from on- or off-campus jobs are paid directly to students as wages, which students can use to cover college costs.

Need-Based Aid
Aid provided by the institution that students do not need to pay back.

Federal Work-Study Program (FWSP)
Need-based, on-campus job earnings are paid directly to the student as wages. The federal government subsidizes FWSP wages.

Loans
A type of funding where money is borrowed and needs to be repaid, usually with interest, over a period of time. Students or parents can take out loans from the college, the federal or state government, or a private lender. While the student is in school, the lender may subsidize the loan interest.

Federal Education Loans
Fixed, low-interest loans for educational expenses that students and/or parents can take out and must pay back.

Financial Aid Forms

FAFSA (Free Application for Federal Student Aid)
Required to determine eligibility for federal financial aid and used by many states and colleges. The FAFSA collects basic financial information from students and families.

CSS Profile
Some colleges require the CSS Profile to award institutional financial aid. A smaller group of colleges uses the CCS Profile to collect more detailed financial information than the FAFSA.

IDOC (Institutional Documentation Service)
Some colleges may request additional financial documents through IDOC to verify information submitted on the FAFSA or CSS Profile.

Scholarship Eligibility

School Scholarships

- Schools set eligibility based on requirements such as applications, grades, athletic ability, etc.
- These scholarships, usually, do not have to be repaid
- Sometimes, these will require a separate application, per school

Outside Scholarships

- Eligibility based on applications made to the specific outside organizations
- Requirements such as essays, grades, and/or portfolios are submitted
- You can find these outside scholarships on Fastweb, Scholarships.com, Chegg Scholarships, CivicGroups, Community foundations, and local businesses

To-Do

It is important to have open and honest conversations with all family members for whom the college conversation is important. Be sure to discuss these points to ensure everyone is aware and on the same page throughout the process.

- [ ] Discuss affordability with family
- [ ] Discuss location/distance from home
- [ ] Check Net Price Calculators (on institutions' financial aid websites)
- [ ] Quick College Cost Estimator - **MyIntuition** - (https://myintuition.org)
- [ ] Look for and apply to scholarships (check Fastweb, Community-Based Organizations, and Local Community for scholarships)
- [ ] Make a list of deadlines for each scholarship and financial aid form

Key Terms

Student Aid Index (SAI)
(Formerly the Expected Family Contribution)

SAI is a measure used to determine a student's eligibility for federal financial aid in the U.S. The SAI is calculated based on a family’s financial information, including income, assets, family size, and the number of family members in college.

Net Price Calculator

A Net Price Calculator is an online tool provided by colleges and universities to help prospective students estimate the total cost of attending that institution after factoring in financial aid. The calculator takes into account a family’s financial situation, including income and assets, to estimate the amount of need-based and merit-based aid a student might receive. These calculators are usually available on each institution's financial aid website.