Financial Aid 101

A presentation for
school counselors & CBO advisors

COALITION
FOR COLLEGE

The Coalition, a member organization of 170 colleges and universities, helps students **learn about, prepare for and apply to college**.

We're committed to working with students from communities that are **historically underrepresented in higher education.**

Coalition member institutions meet our eligibility requirements related to graduating students on time and with low or no debt, **making them smart college choices**.



Our goals in this session

Equip you with a basic understanding of financial aid by:

- Explaining **what financial aid is and why it's awarded**
- Providing an overview of **need- and merit-based aid** and how students apply for it
- Sharing **tips for families to keep in mind** as they navigate the process
- Answering **your questions** with the time remaining

Our goals in the next session

Equip you with a deeper understanding of financial aid by:

- Explaining **how aid is calculated** using the financial information collected on financial aid forms
- Showing you **financial aid case studies** that illuminate differences in aid packages for different families and at different institutions
- **Answering your questions** with the time remaining



Meet our presenters

Chad Spencer
Vice President for Enrollment Management
Centre College

Shana Gore
Associate Vice President for Enrollment Operations, Enrollment Management and Student Success
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What is financial aid & why is it awarded?

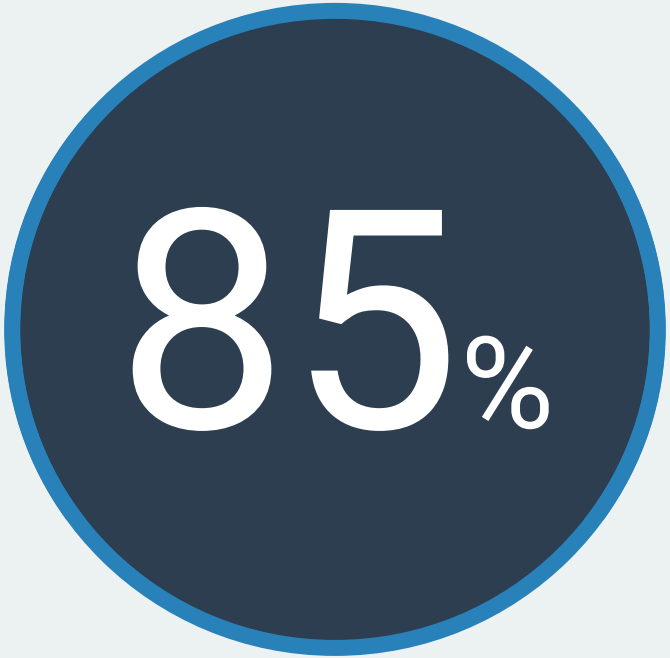
Sticker price

≠

Actual cost



Who receives financial aid?



of students receive some form of financial aid

(National Center for Education Statistics)

Types of financial aid

Gift Aid students **DO NOT** pay back

- **Scholarships**
  Given based on certain characteristics or qualities, such as academic achievement or athletic ability

- **Grants**
  Often awarded based on financial need, grants are typically provided by the government or institutions

Self-Help Aid students **DO** pay back **OR** earn

- **Work-study**
  Federal financial aid program **or** institutional aid that provides students a part-time job, usually on-campus, to help pay for college expenses
- **Loans**
  Money borrowed from a bank, government, or lending company that must be paid back over an agreed period of time, usually with interest

NEED-BASED FINANCIAL AID

- Helps ensure that college is affordable for students across socioeconomic backgrounds
- Calculated based on responses to financial aid forms
- Amount of need covered varies by institution

MERIT-BASED FINANCIAL AID

- Recognizes a student's skills, talents and accomplishments
- Awarded based on admission application, nomination or separate application
- Not awarded by all colleges

A closer look at need-based aid

Information is typically collected by:

THE FAFSA

The Free Application for Federal Student Aid

- Federal formula
- Free
- Required for receiving federal and sometimes state financial aid
- Deadlines vary by college and state
- Skip logic impacts number of questions
- Required annually

CSS Profile

Administered by The College Board

- Institutional formula
- Fee-based, though fee waivers are available
- Required by about 250 institutions
- Deadlines vary by college
- **MAY** be required annually

Both are typically available Oct. 1.

Financial Information collected on the FAFSA

The student and their contributor(s) report:

- Income
- Household size
- Number in college (will NOT impact SAI calculation)
- Balances in bank accounts
- Net worth of businesses and farms
- Real estate that is not a primary residence
- Balances of 529s and other educational savings accounts
- Stocks, bonds and other investments

The CSS Profile digs deeper

And may additionally collect:

- Home equity of primary residence
- Income and assets from divorced parents



How is income reported?

- The FAFSA and CSS Profile use information on your tax returns from the **prior-prior** year.
  - Those applying to enter college in fall of 2026 will use 2024 tax return
- The **Direct Data Exchange Tool** (required) moves federal income tax data from the IRS database to the FAFSA
  - Some tax filing situations prevent use of this tool (e.g. married filing separately, foreign return)
- Must move **parent, student or both** sets of tax data



Goal of financial aid forms

Determine the amount of money a student and family can be expected to contribute to the cost of a college education.

Each institution:

- Creates policies, in line with institutional priorities and resources, to determine how much of the remainder will be covered between the cost of tuition and what a family can pay



TOTAL COST OF ATTENDANCE

Direct costs
Tuition & fees
Room & board

Indirect costs
Books & supplies
Transportation
Misc. personal expenses

GRANTS, SCHOLARSHIPS & GIFT AID

Sourced from the institution, government or outside sources

NET PRICE



When the net price is **>$0**, how do families pay?

- Payment plans are a popular option to allow monthly installments.

Aid packages may include

- Federal work study
- Loans

Outside resources

- Scholarships
- Student employment

What loan options are available for college costs?

- Federal Direct Stafford Loans
  - Subsidized
  - Unsubsidized
- Private or Alternative Education Loans
- Federal Direct Plus Loans (Parents)
- Other

College costs do not have to be paid all at once!

There are **four ways** to play for this investment:

- Saving in advance
- Paying from current income
- Borrowing - pay with future income
- Scholarships and grants

Most families use a combination of all to pay their share of college expenses.

What a sample financial aid offer might look like

	Private #1	Private #2	Private #3	Public U
Cost of attendance	$78,000	$89,000	$57,000	$32,000
Student Aid Index (SAI)	$20,000	$20,000	$20,000	$20,000
Financial need	$58,000	$69,000	$37,000	$12,000
Merit aid	$0	$0	$20,000	$0
Need-based grant	$55,000	$63,000	$5,000	$6,500
Student loan	$0	$3,500	$5,500	$5,500
Work study	$3,000	$2,500	$1,500	$0
Total aid	$58,000	$69,000	$32,000	$12,000
Unmet need (gap)	$0	$0	$5,000	$0
Total paid	**$20,000**	**$20,000 + loan + interest**	**$25,000 + loan + interest**	**$20,000 + loan + interest**

Tips to share with families navigating the process

Know that financial aid counselors are here to assist

Do:

- Ask questions at any step of the process
- Inform the financial aid office if a financial situation changes
- Be in touch if the aid package does not sufficiently meet your need



Use net price calculators to build a balanced college list

Net price calculators

- Found on individual college websites
- Federally mandated
- Family enters income and asset data
- One-year net price projection
- Calculators differ by institution
- Only as accurate as the data families input



Understand the financial impact of applying ED

Early Decision applicants

- May not be able to compare aid offers among institutions
- Are committed to an institution if they are accepted

Ask important questions about financial aid

Questions like:

- Is the institution need blind or need aware?
- Any advice for financial aid applicants applying ED?
- Is need re-evaluated each year or do they guarantee institutional aid for four years?

Ask important questions about scholarships

Questions like:

- Is the scholarship renewable?
- If so, what are the requirements for renewal? (progress, participation, etc.?)
- Will the scholarship affect need-based aid eligibility?

Understand how outside scholarships affect aid

Outside scholarships

Can

- Meet unmet need
- Replace loans
- Replace student employment

May

- Reduce or replace Student Aid Index (SAI) in need-based aid award

Keep close track of deadlines

Financial aid deadlines

- Vary by institution
- Are typically different than the application deadline
- May include a priority deadline

College is an investment that lasts a lifetime.

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Questions?

