
INFORMATION ON THE
NET PRICE
CALCULATOR
AND SCHOLARSHIPS

Part I:

- NET PRICE CALCULATOR!
 - What it is
 - What it does
 - How it works
- And what it may mean for you!

What is the Net Price Calculator?

- The net price calculator is an online tool that provides estimates of cost at a particular university
- By filling out specific family information, you can get a tailored, specific estimate of the actual cost at the institution!
- Despite the incredible rising costs of college, in actuality, MOST families receive AID! Nearly 2/3 of students in the '07-'08 admission cycle qualified!

Why is this valuable?

- The Net Price Calculator can, and should be, completed early in the search process. It allows a student to see that a university is actually within reach
- It also helps parents prepare! As families begin to think about paying for college, it is important to know the expectations and have a realistic picture of what the future financial forecast will be.
 - While “State” schools are often viewed as cheaper, private schools have deep pockets. This allows a student to glean if a school is within their financial reach.

How Do I find this magical tool?

- As of October 2011, it is required that almost ALL colleges provide this data to families.
- While some universities place it in a position of priority, other often obscure it—so your best option is to Google the specific institution and Net Price Calculator.

What does the Calculator Ask?

- Net Price Calculators have some required components, but schools have flexibility in what to ask, and what to ultimately display.
- The calculator is required to ask questions to determine Estimated Financial Contribution (EFC).
 - Have tax information from 2 years ago (PPY) and 1 year ago (PY)
- $\text{Cost of attendance} - \text{EFC} = \text{Eligibility of Need-Based Aid}$
 - This unfortunately does not work for international students, and does it work well for divorced/separated families.

Video summarizing the process of submitting!

- <https://www.youtube.com/watch?v=EOgFzChqTww>

What will the Net Price Calculator Display?

- While universities have flexibility in what they reveal, they are REQUIRED to highlight the following:
 - Estimated Tuition and Fees (room and board, books and supplies, and other expenses)
 - Estimated total grant and scholarship aid
 - Estimated net price
 - A lovely little disclaimer about this being an estimate, and that you must fill out a FAFSA to be eligible

But Really, Will Aid ACTUALLY work for me?

- Case study: Franklin and Marshall
 - Family making 150,000; single family earner
 - Lives in a 400,000 home, with 200,000 left on the mortgage
 - One other child in college, a younger child at home.....

Ready for the results?

Cost of Franklin and Marshall: General


Estimated Cost of Attendance ?

Tuition & Fees ?	\$	52,490
Room & Board ?	\$	13,120
Books & Supplies ?	\$	1,200
Transportation ?	\$	100
Personal Expenses ?	\$	1,270
Estimated Total Cost of Attendance	\$	68,180

Grants

- Remember, a Grant is “free money” that you do not need to repay or borrow!


Estimated Grant/Gift Aid

Estimated Federal Pell Grant	\$	5,665
F&M, State, and/or Federal Grants	\$	55,764
Estimated Total Grant/Gift Aid	\$	61,429
ESTIMATED NET PRICE 	\$	6,751

Work-Study and Loans

- Loans are often cheaper through the federal unsubsidized option (more on that later!) It does not need to be repaid until college is finished!
- Work-study is a part-time university job that helps offset debt as part of a financial aid package.

Estimated Self Help

Student Loan	\$	4,500
Student Work	\$	1,900
Estimated Total Self Help	\$	6,400
ESTIMATED REMAINING COST 	\$	351

The estimate provided using this Net Price Calculator does not

So....

- A six-figure family CAN reap benefits of financial aid! This DRASTICALLY reduced tuition at a pricey institution!
- It pays to play! Experiment with the Net Price Calculator. See if it has benefits to YOU, and then, know that you need to fill out the FAFSA to reap the benefits!

2:

The aim is to explain the award letter in detail, so that you know the expectations and the cost

The Letter

- At this point, congratulations! You've received admission, and you now are staring at an itemized letter explaining aid
- The letter will discuss grants, scholarships from the university, and include money that is NOT gifts (like work-study and loans).
- Note on the letter on the next page how the Loans and work-study are wrapped up in the "total awards"

Sample Letter

Dear

Congratulations on your admission to College! On behalf of the University, I am pleased to offer you financial assistance for the 2012-2013 academic year.

Your award is as follows:

Source:	Fall	Spring	Total
College Grant	11,750	11,750	23,500
College Scholarship	3,500	3,500	7,000
Federal Perkins Loan	500	500	1,000
Federal Direct Subsidized Stafford Loan	1,750	1,750	3,500
Fed. Direct Unsubsidized Stafford Loan	1,000	1,000	2,000
Fed. Work Study Opportunity	1,000	1,000	2,000
Total Awards:	19,500	19,500	39,000

Please note that you will need to provide the following documents to our office as soon as possible in order to finalize your award:

Award Acceptance Agreement (enclosed) Student
Statement of Non-filing
Parent IRS transcript

Your financial aid offer is based on your reporting that other members of your family will be attending undergraduate or graduate school at least half time during 2012-2013. You may be required to provide document his/her enrollment. Please notify our office of any changes in enrollment plans.

REMEMBER, KEY TERMS!

- Grant and Scholarship= free money often called “gift aid” because they are free money—financial aid that doesn’t have to be repaid. Grants are often need-based; scholarships are typically merit-based.
- Subsidized Loan= Direct subsidized loans typically have better terms. Your school determines the amount you can borrow, and the amount may not exceed your financial need. The U.S. Department of Education pays the interest on a Direct Subsidized Loan while you’re in school at least half-time, for the first six months after you leave school (referred to as a grace period*), and during a period of deferment (a postponement of loan payments).
- Unsubsidized Loan= re available to undergraduate and graduate students; there is no requirement to demonstrate financial need. Your school determines the amount you can borrow based on your cost of attendance and other financial aid you receive. You are responsible for paying the interest on a Direct Unsubsidized Loan during all periods. If you choose not to pay the interest while you are in school and during grace periods and deferment or forbearance periods, your interest will accrue (accumulate) and be capitalized (that is, your interest will be added to the principal amount of your loan).
- Work-Study=provides part-time jobs for undergraduate and graduate students with financial need, allowing them to earn money to help pay education expenses. The program encourages community service work and work related to the student’s course of study. The number listed here is NOT guaranteed---this is an ESTIMATE of hours and hourly wage; it can often be different. AND you/your child may not be able to manage the rigors of college and work, so I suggest removing this number from your aid package.

Comparing Award Letters- Questions to ask

- Once all the financial aid awards have been received the student should compare them to each other. Comparing means not just the total amount, but each fund listed on the award letter.
- The following questions should be considered when comparing:
 - What is the percentage of grant aid to Loan aid?
 - What is the percentage of self-help (loans and work-study) to grant aid?
 - What is the remaining cost due from the family?
 - What is the gap not met by financial aid?
 - Is there a requirement for renewable aid?

The Letter is NOT law

- There are situations where we need to contact the Financial Aid office at Elite U to alter aid. These are typically through Unusual Circumstances, Appeals, and Negotiations.
- Each have a place, so examine the scenarios around each to see if altering the aid package is an option!

Unusual Circumstances

- The family/student you may be working with find that they have a particular situation that needs to be addressed to the college, but the financial aid applications do not ask for the information to describe the situation. This will require the student/family to write a separate letter directly to the college explaining what is currently going on. (Remember the financial information on the application is from the previous, previous year.) Below are some reasons to consider writing an Unusual Circumstance letter:
 - Loss of employment
 - Reduced hours resulting in reduced income
 - Unemployment runs out
 - Medical costs not covered by health insurance
 - A parent who is in retirement

Cont.

- Unusual Circumstances Continued:
 - A parent who may be supporting their own parents
 - An unusual higher Adjusted Gross income (AGI). This may be due to a one time withdrawal from an IRA account, gambling winnings or lottery winnings.
 - Parents paying for private secondary school costs or special needs for a younger sibling
 - A parent who has a reduction in child support received or social security income
 - benefits that will no longer be available when a child turns 18.
- These are just some of the examples. It will be important for notify the schools as soon as possible regarding the situation and to find out what steps and documents will be necessary.

For this Unusual Circumstances Letter

- The student's name and ID # (could be social security or it could be the school ID)
- An explanation of the unusual circumstance that should include specific dollar amounts (what is the actual AGI excluding winnings for example).
- Any copies of documents that supports the situation (for example a letter that shows the date when Dad was laid off, any severance received or unemployment benefits)
- If not already done so, a copy of the federal tax form used to complete the
- original application should also be included
- If the student has not received an original financial aid offering prior to the letter sent, the family should call the financial aid office to ask if their current situation was considered. If it was not, then they should ask if the award can now be reconsidered using the new information provided. Or if it was denied, what additional information can be used so that they can be reconsidered.

Appeals

- An appeal is requesting additional financial aid finding AFTER the student received a financial aid award or due to the unusual circumstance.
- The college may have a specific protocol for the process, so it is best to contact them to find out the appropriate steps to take
- They likely will need to write a letter requesting a review of their financial aid package.
- Families should never just write a letter that simply requests for more money. The letter needs to include substance and reasoning behind why the family is requesting additional funds. Telling the school you expect to be paying some of the costs is always a good idea to have in the letter.

Negotiations

- Negotiations are a process where the student is requesting more funds from the college based on other opportunities that are being made available. The student might have received better award packages or is being heavily recruited by other colleges. The student may need to let his first choice college know of the other offers that has been received.
 - Negotiate only after the student has been admitted to the college. The school may deny admission to the student if they suspect that the student will be making a decision only based on a financial one, especially if there are other students who are full pays!
 - Do not request to match other awards. Colleges have a good idea of how desirable they are. If the college really wants the student they should make an offering that will come close. The college may request to see the other offerings to compare.
 - Respect the colleges time. The request will come at a time that is very busy, so the student needs to allow some time for review.
 - Being polite is important. The letter might begin with a thank you first of what was offered then go into the reasoning for additional funds.

Writing a Letter?

- If you feel comfortable, PLEASE send your letter to me, or ask for assistance in the drafting process. This is our BIG SHOT to GET IT RIGHT!
- I have templates, as well, if you would like to see a sample in order to craft your own
- DON'T PAY "FULL PRICE" at the dealership— DON'T take on extra debt to offset costs. Instead, actively advocate for altering the aid package when appropriate!