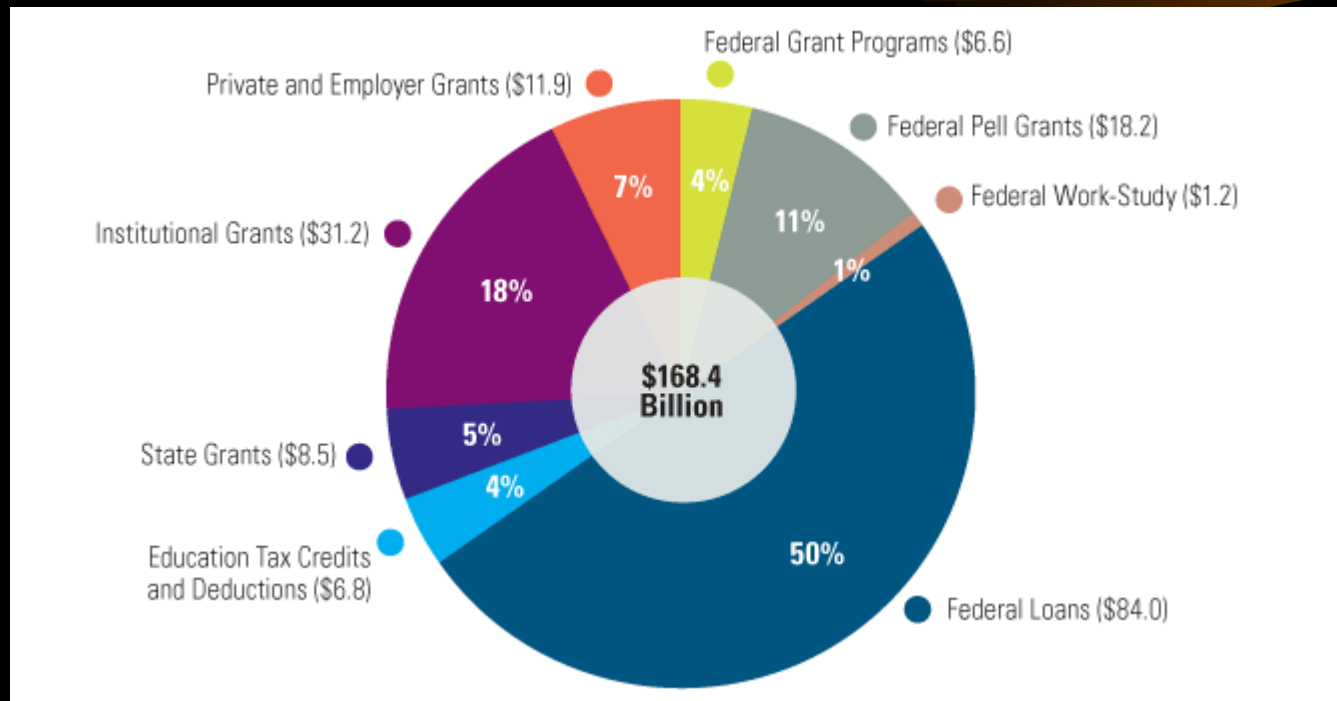


Financial Aid for College
Is the tassel worth the hassle?



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\$168 Billion in Undergraduate and Graduate Financial Aid



Four Important Planning Points ...



- 1- Many colleges award more loan money than grant (scholarship) money to meet a student's calculated "need."
- 2 - Nationally, fifty percent of the grant money awarded by colleges to students is awarded on the basis of admissions merit – not economic need.
- 3 - Two-thirds of all 2011 Bachelor degree recipients graduated with average student loan debt of \$24,300.
- 4- Fifty percent of 2011 Bachelor degree candidates took six years to graduate.

Financial Aid Terminology



- need blind admission
- need “aware” admission
- need based aid
- merit based aid
- need analysis

Bowdoin Financial Aid



- Bowdoin admission is “need blind.”
- Bowdoin financial aid is “need based.”
- Bowdoin meets full calculated need with job offer and full grant (no loan).
- 42% of enrolled Bowdoin students receive \$28,000,000 in Bowdoin grant aid.
- Average family contribution for Class of 2015 was \$17,000. Average award was \$38,000.

FAFSA FORM

- Free federal form is called the “FAFSA.”
- Parent and student Personal Identification Number (PIN)
- www.fafsa.ed.gov
- Filed on-line after January 1 and before earliest college financial aid filing deadline
- FAFSA can be corrected and will be verified with 2011 federal income taxes

CSS Profile Form



Many higher cost private schools use the
on-line CSS Profile

www.collegeboard.com

More questions and a different
methodology to determine need

No on-line correction capability

Application fee charged

Two Need Analysis Systems



- Federal Methodology (FAFSA)
 - Simplistic (AGI, no home equity)
 - Limited to federal money
 - Stafford student loan interest subsidy
- Institutional Methodology (PROFILE)
 - Complex, Independent Evaluation
 - Distributes/awards endowment resources (where most of the grant money lives)

How does financial aid work?



College Costs – Family Contribution
= Award

\$55,000 - \$17,000 = \$38,000 award

Understanding College Costs



Billed Charges

tuition, room, board, fees

Student Living Expenses

books, supplies, personal, travel

Phantom Costs

athletic trips, music lessons, laptop computer, leave of absence, debt service, study abroad semester

Awards change every year...



- **KEY DETERMINANTS** of your family contribution are:
 - Family size & structure
 - Total parent income
 - Parent & student assets
 - Number of undergraduate children in college

Understanding “Family Contribution”



– (1) Parent Contribution

- Income assessment 15%
- Asset assessment 5%

– (2) Student Contribution

- Asset assessment 25% per year
- Savings from summer earnings \$1500 - \$2000

College Net Price Calculators



- Federal mandate that all colleges provide a net price calculator for consumer use.
- Calculators have limitations; no data evaluation or human intervention
- Complex situations limit usefulness.
- Results will differ among similar colleges with similar methods

Educational Loans



- Direct Stafford Loans (federal student)
- Perkins loans (federal student)
- Private educational bank loans (student with parent co-signer)
- College-funded loans (student)
- Direct PLUS loans (parent)

Campus Jobs



- campus jobs are plentiful...
- students can earn \$1500 during the school year and \$1500 during the summer
- students (not parents) should pay for books, personal expenses and travel from \$3000 in employment earnings
- high statistical correlation to persistence to graduation

Important Websites



- www.finaid.org
 - Credible information and calculators
- www.famemaine.com
- FAFSA help and Maine-oriented programs
- www.collegeboard.com
 - CSS Profile
- www.fafsa.ed.gov
 - PINs, FAFSA form, FAFSA corrections



Thank you and good luck!

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