

Financial Aid 301: The Hard Stuff

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Discussion Topics

- CSS Profile
- Need Based Aid vs. Merit Based Aid
- Financial Aid Packaging and Strategies
- Public Schools vs. Private Schools
- Trends in Higher Education
- The Value of Higher Education
- Loan Indebtedness
- Difficult Questions



CSS Profile: What?

- Online Application
 - Available October 1st of the student's senior year
- Fee Based
 - \$25 for first school, \$16 for each additional school
- Fee Waivers Available
 - Automatic fee waivers for first time, domestic filers based on income (assets not considered)
 - Anchored on the National School Lunch Program free and reduced price guidelines
 - Applicants who used an SAT Fee Waiver may receive up to 8 Profile Fee Waivers
 - Applicant logs into Profile using the same ID/account

File Your CSS Profile



CSS Profile: Why?

- Determines eligibility for *institutional* grant funds
 - Cannot be used to determine eligibility for federal aid, although schools may use it to estimate Early Decision/Early Action awards
- Collects more detailed information than the FAFSA
 - Medical expenses
 - Primary/Secondary private school expenses
 - Home value/indebtedness
 - Non Custodial Parent Profile (NCP) collects information from student's non custodial parent in cases of separation or divorce
- Need assessment differs from the FAFSA
 - Individualized by school, based on institutional priorities and resources
- Calculated family contribution may be higher or lower than FAFSA Expected Family Contribution (EFC)
 - Some schools will use highest EFC

CSS Profile: Who & Where?

- Colleges that use CSS Profile and the Non Custodial Profile
 - <https://student.collegeboard.org/css-financial-aid-profile>
 - Click on *Participating Colleges, Universities and Scholarship Programs*
- Tutorial at Khan Academy:
<https://www.khanacademy.org/college-admissions/paying-for-college/financial-aid-process/v/overview-of-fafsa-and-css-profile>



IDOC



- College Board Institutional Documentation Service
- Collects families' federal tax returns and other documents on behalf of participating colleges and programs
- College Board notifies students selected by participating institutions when to submit the required documents
- Documents may be submitted electronically or by mail

Need Based vs. Merit Based Aid

- Need based aid, including grants, loans, and work opportunities, is awarded based on family income, assets, and household size
- Merit based aid, usually in the form of scholarships, is awarded based on the student's academic and/or co-curricular achievements
- Distinction between need and merit is often not made clear to student
 - Merit often helps meet need
 - Non need based package may include unsubsidized loans and institutional on campus employment

Financial Aid Packaging & Strategies

- Equity Packaging
 - Standard self-help, remainder (or %) of need met with grant funds
- Preferential Packaging
 - Grant/scholarship amount or % based on academic and/or co-curricular record, remaining need (or %) met with self-help
- Leveraging
 - Tuition discounting based on student characteristics

Public vs. Private Schools

- Sticker price may not be what student will pay
- Private schools can be more affordable because of institutional aid available
- Financial fit should be considered
- Net Price Calculators are a useful tool to begin discussions about financial fit



Trends in Higher Education

- <http://trends.collegeboard.org/>
 - *Trends in College Pricing*
 - *Trends in Student Aid*
 - *Education Pays*
 - PDF
 - Presentation
 - Data in Excel

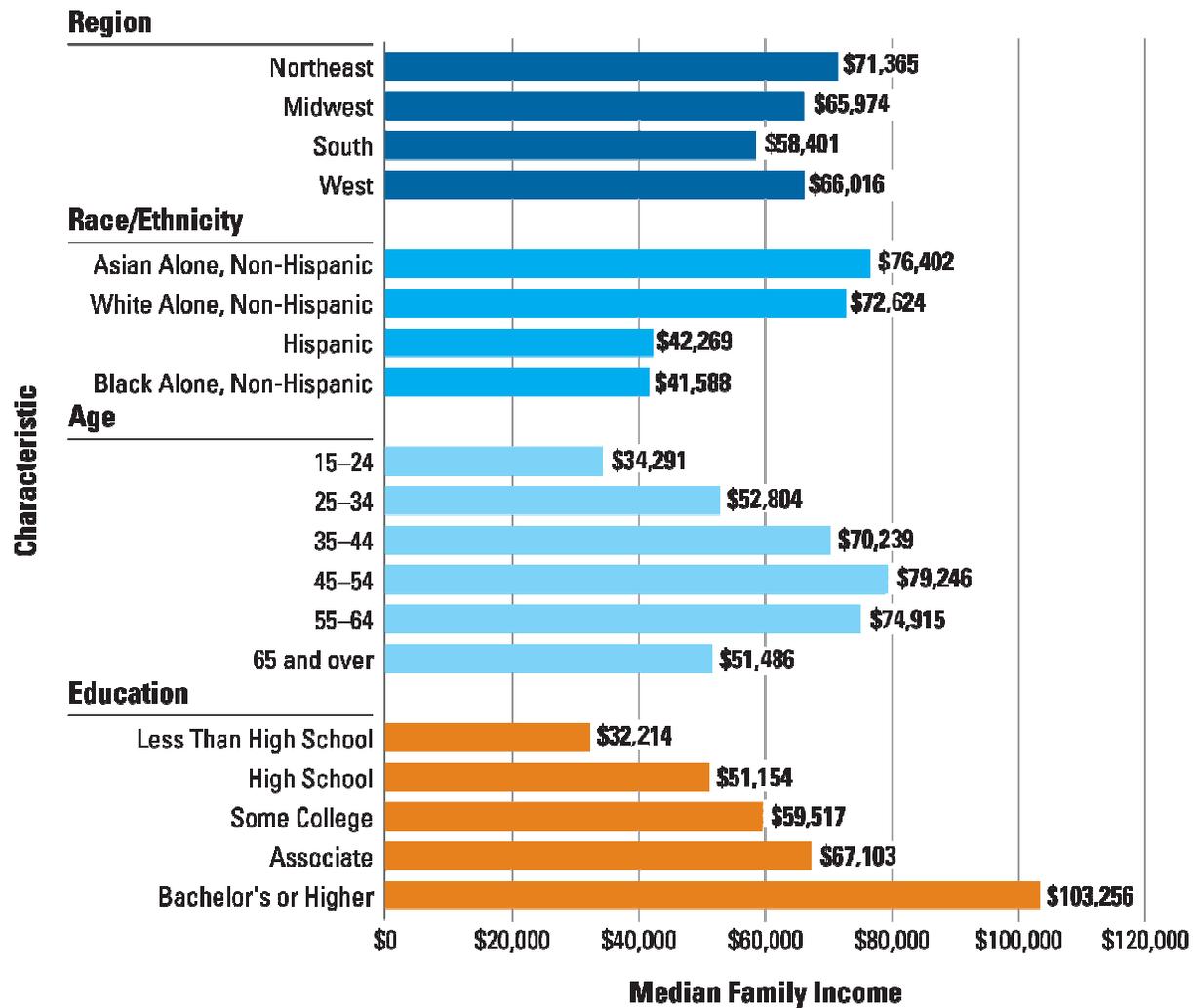


Thirty-Year Percentage and Dollar Change in Family Income by Quintile

	Lowest 20%	Second 20%	Third 20%	Fourth 20%	Highest 20%	Top 5%
\$ Change 1983–2013	\$578	\$3,779	\$8,936	\$18,849	\$70,821	\$162,829
% Change 1983–2013	4%	11%	16%	24%	52%	83%
2013 Income Bracket	\$28,894 or less	\$28,895 to \$50,520	\$50,521 to \$78,000	\$78,001 to \$121,059	\$121,060 or higher	\$217,032 or higher
2013 Mean Income	\$16,109	\$39,514	\$63,916	\$97,207	\$206,687	\$358,722

SOURCE: The College Board, *Trends in College Pricing 2014*, page 33

Median Family Income by Selected Characteristics, 2013



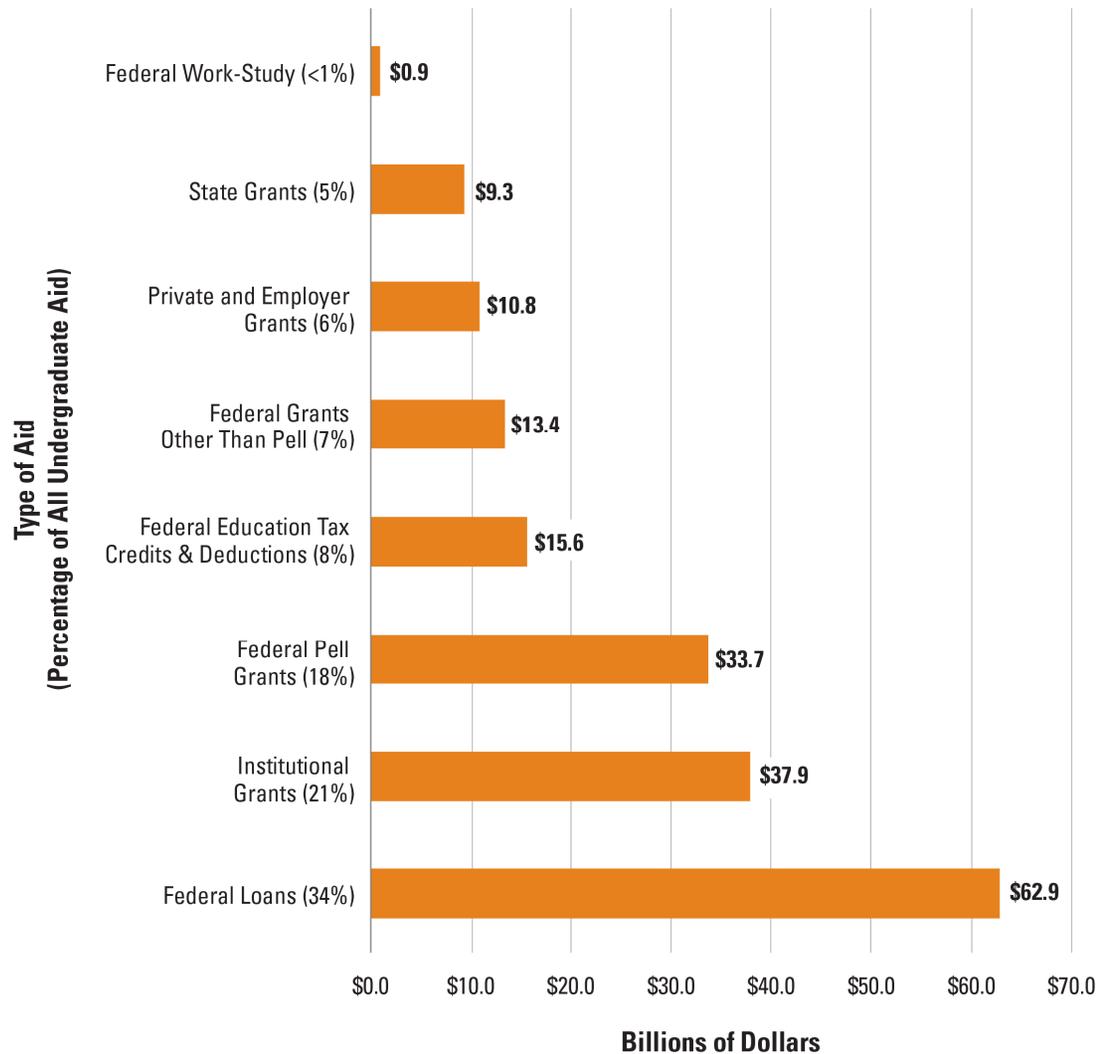
SOURCE: The College Board, *Trends in College Pricing 2014*, Figure 22B

Average Published Charges for Full-Time Undergraduates by Sector, 2014-15 (Enrollment-Weighted)

	Public Two-Year In-District	Public Four-Year In-State	Public Four-Year Out-of-State	Private Nonprofit Four-Year	For-Profit
Tuition and Fees					
2014-15	\$3,347	\$9,139	\$22,958	\$31,231	\$15,230
2013-14	\$3,241	\$8,885	\$22,223	\$30,131	\$15,040
\$ Change	\$106	\$254	\$735	\$1,100	\$190
% Change	3.3%	2.9%	3.3%	3.7%	1.3%
Room and Board					
2014-15	\$7,705	\$9,804	\$9,804	\$11,188	—
2013-14	\$7,540	\$9,498	\$9,498	\$10,824	—
\$ Change	\$165	\$306	\$306	\$364	—
% Change	2.2%	3.2%	3.2%	3.4%	—
Tuition and Fees and Room and Board					
2014-15	\$11,052	\$18,943	\$32,762	\$42,419	—
2013-14	\$10,781	\$18,383	\$31,721	\$40,955	—
\$ Change	\$271	\$560	\$1,041	\$1,464	—
% Change	2.5%	3.0%	3.3%	3.6%	—

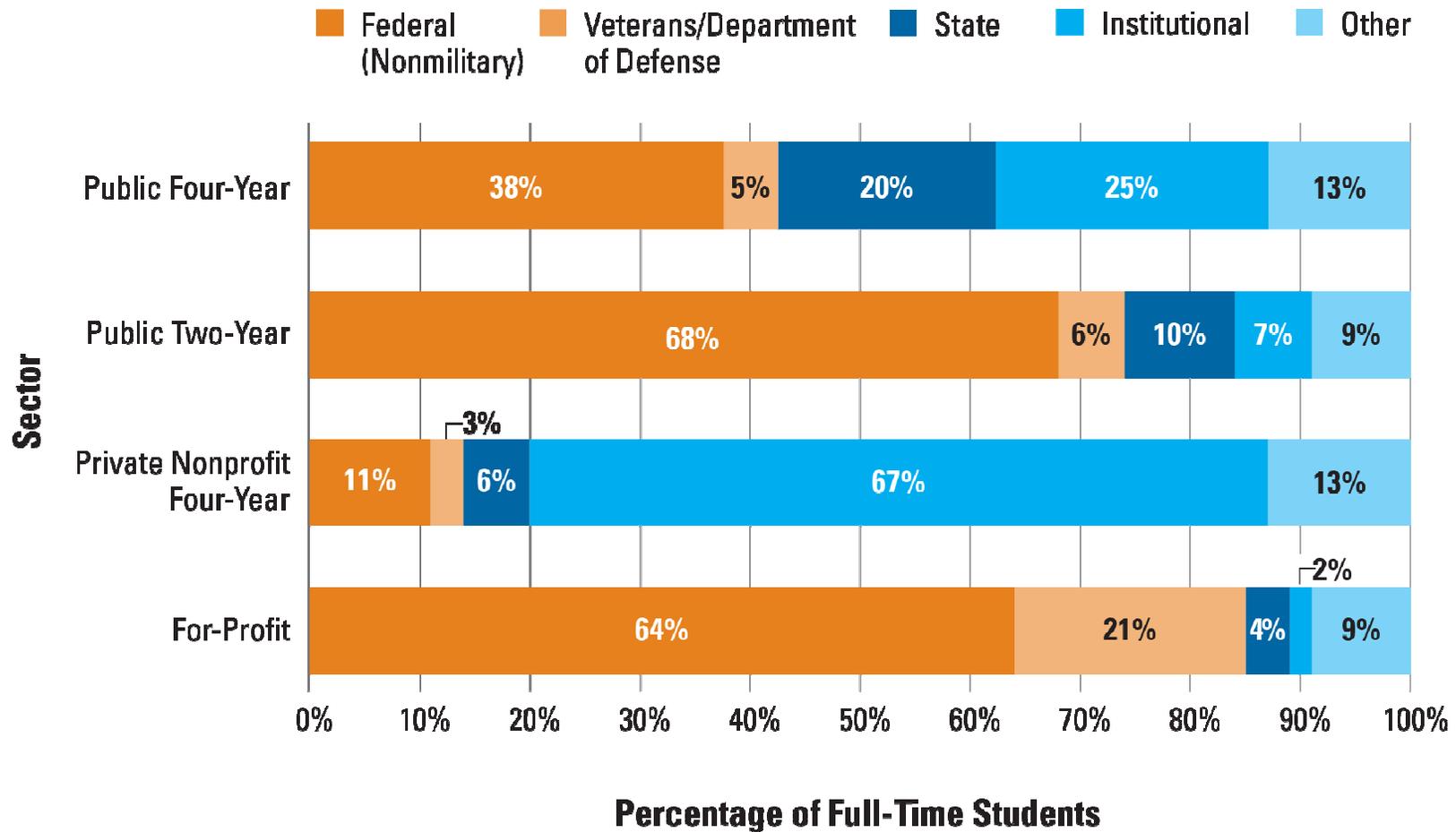
SOURCE: The College Board, *Trends in College Pricing 2014*, Table 1A

Total Undergraduate Student Aid by Source and Type (in Billions), 2013-14



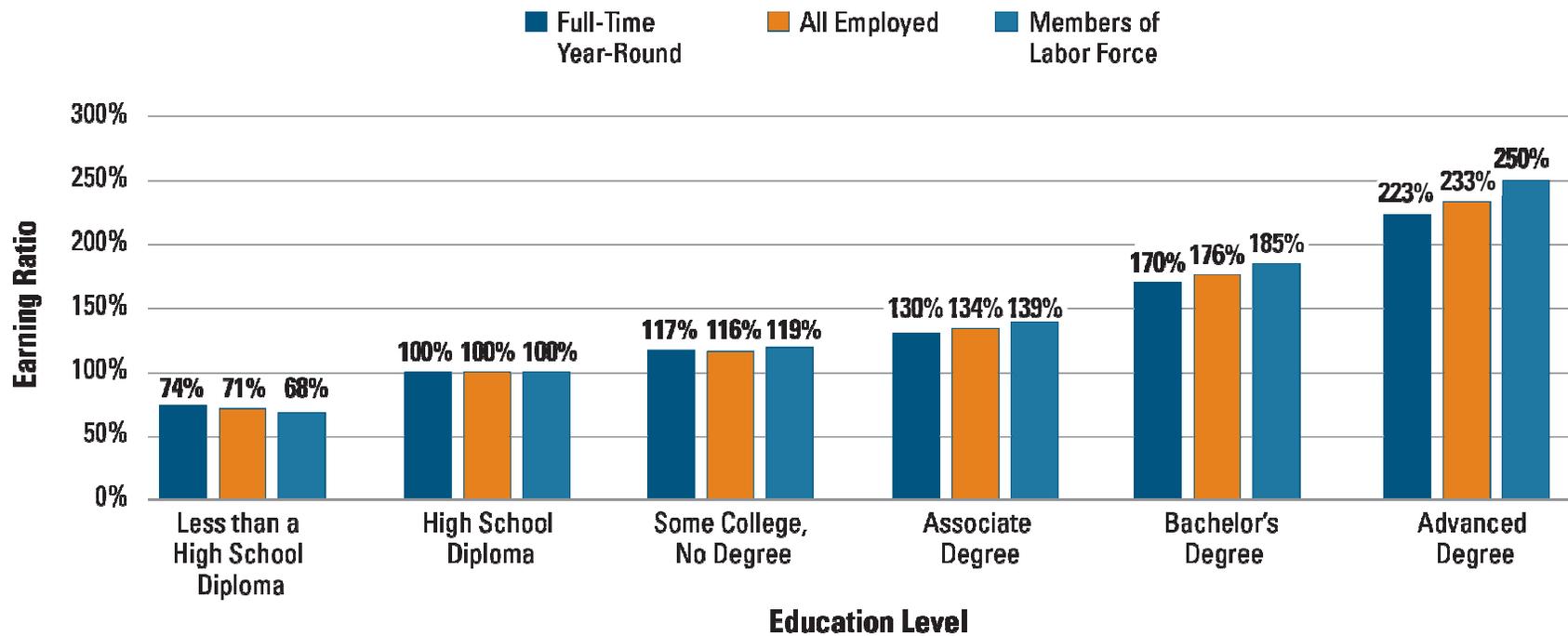
SOURCE: The College Board, *Trends in Student Aid 2014*, Figure 2A

Sources of Grant Aid for Full-Time Undergraduate Students by Sector, 2011-12



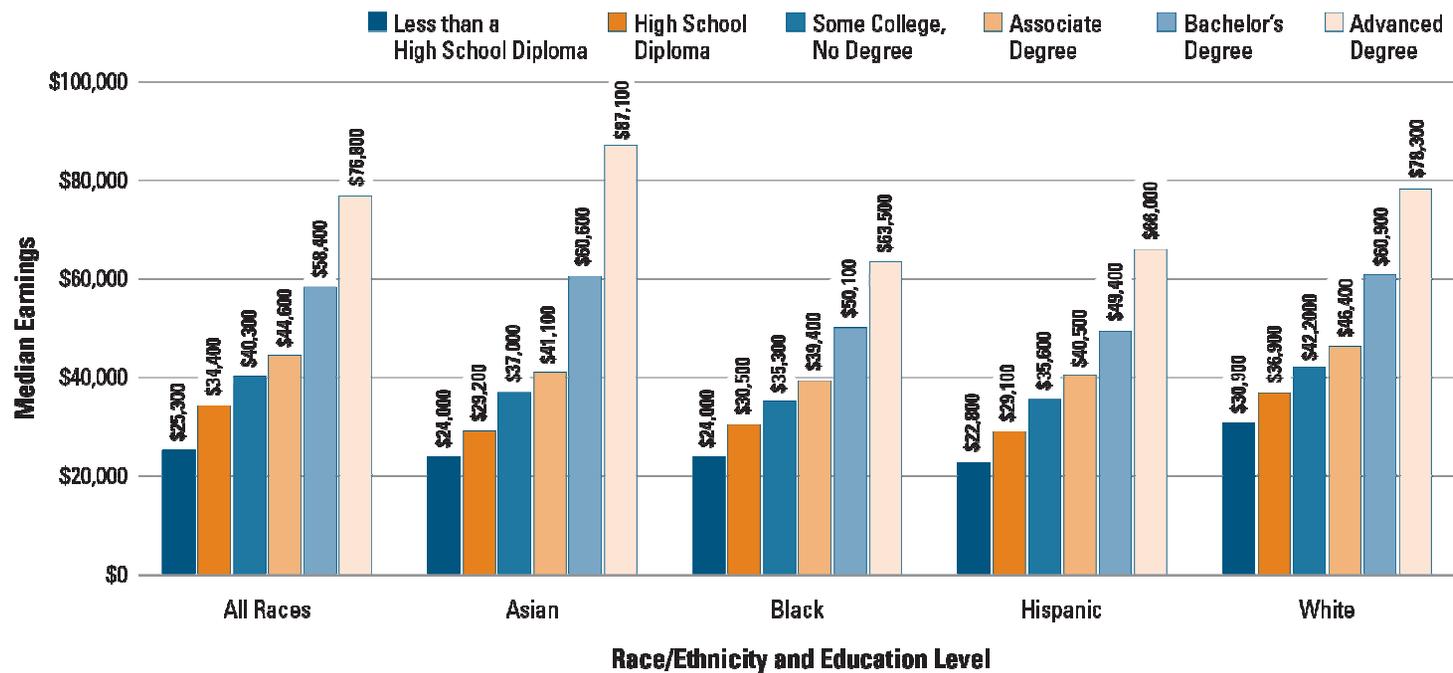
SOURCE: The College Board, *Trends in Student Aid 2014*, Figure 29B

Earnings of Individuals Ages 25 and Older Relative to High School Graduates by Education Level and Employment Status, 2011



SOURCES: U.S. Census Bureau, 2011; calculations by the authors.

Median Earnings of Full-Time Year-Round Workers Ages 25 and Older by Race/Ethnicity, 2011

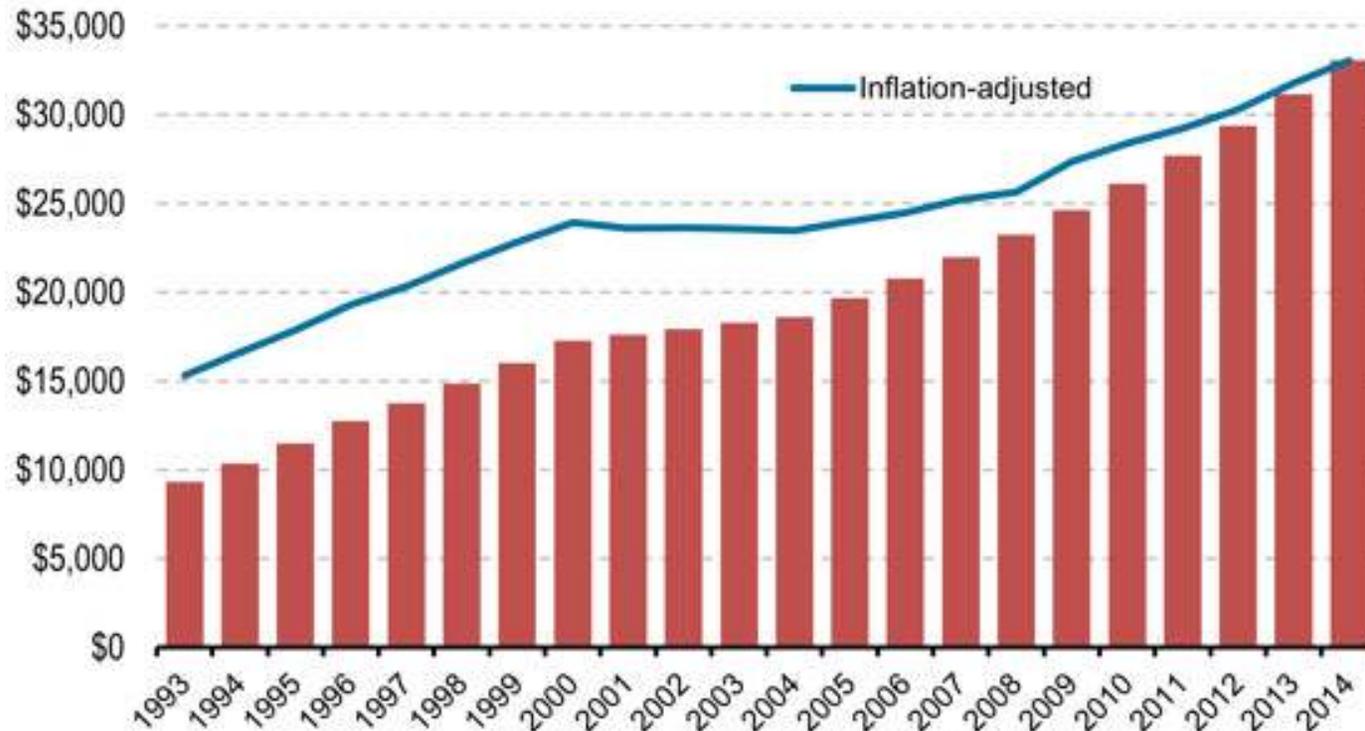


SOURCES: U.S. Census Bureau, 2011; calculations by the authors.

Loan Indebtedness

Class of 2014

Average debt per borrower in each year's graduating class.

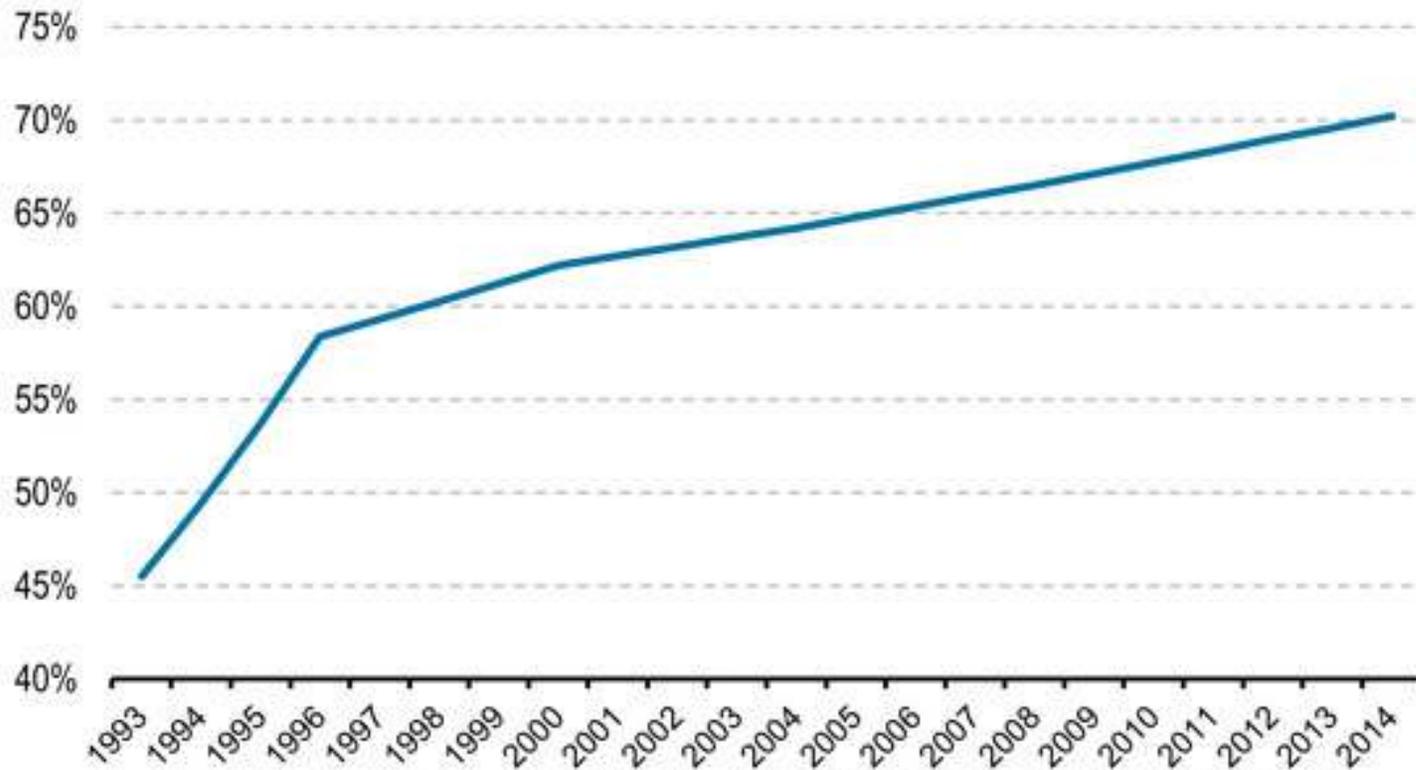


Source: Mark Kantrowitz analysis of National Center for Education Statistics data | WSJ.com

Loan Indebtedness

More Students Taking on Debt

The percentage of students with loans in each year's graduating class..



Source: Mark Kantrowitz analysis of National Center for Education Statistics data | WSJ.com

Questions?

