



Financial Aid Basics for Students and Families

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What will we cover?

- Applying for Aid
- Cost of Education
- Need-Based Aid
- Merit-Based Aid
- Packaging/Awarding
- Federal Changes
- Consumer Tips



How do students apply for financial aid?

FAFSA

- Free Application for Federal Student Aid
- www.Studentaid.gov
- **December** Go-live date

**Families must
reapply
annually**

CSS Profile

- CollegeBoard.org
- Required by SOME colleges

At College's Discretion

- Tax returns and W-2 forms
- CSS PROFILE from Noncustodial parent



How is need-based aid eligibility determined?

Cost of Education

- Expected Financial Assistance
(from outside resources)

- Student Aid Index

= Student's financial need



What is Included in the Cost of Education?

- Tuition and fees
- Food and Housing

- Books and supplies
- Transportation
- Miscellaneous personal expenses

Direct

Indirect



What are outside resources?

- Funds from sources **other than** the college/university
 - Clubs and civic organizations
 - Churches
 - Employers
 - Foundations



What about outside resources?

- They **CAN** replace self-help (loan and work) components of aid award
- They **CAN** fill in difference when schools “Gap” award
- They **CAN** add to a merit-only award
- They **MIGHT** reduce the family contribution
 - Total of financial aid and outside resources can’t exceed total Cost of Education

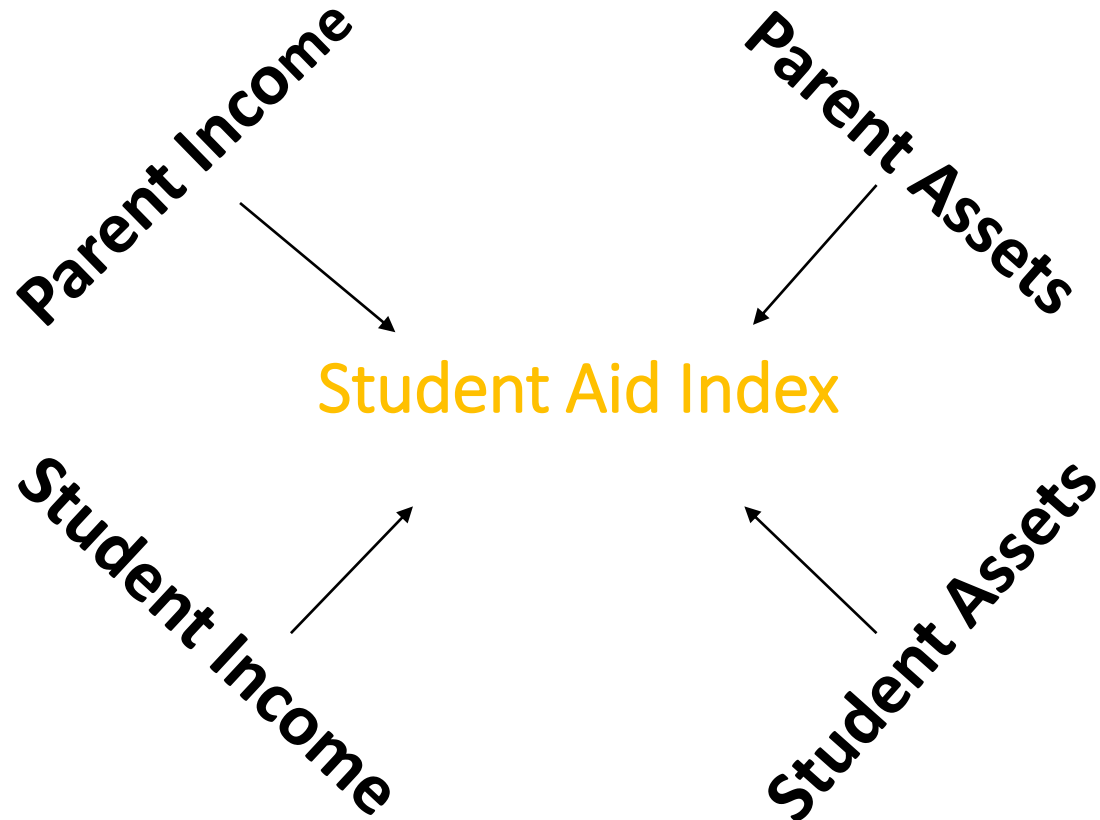


What is the “Student Aid Index?”

- A figure derived from the financial data provided on the FAFSA and/or PROFILE
- Represents the **calculated** ability of the family to contribute toward the cost of education
- Takes into account factors such as income, assets and household size
- **Annually determined**, so can change from year to year as factors change



What are the components of the “Student Aid Index?”





What About 529 and Other College Savings Plans?

- Plans are assets of the plan **owner(s)**.
- FAFSA: “When the **owner** is a dependent student...they are reported as an asset of the parent.”
- PROFILE instruction: If the student has a 529 plan as part of an UGMA or UTMA account, it is a student asset.
- “When the **owner** is some other person...distributions from these plans to the student count as untaxed income, as ‘money received.’”



How is Student Aid Index calculated?

Parent
Contribution



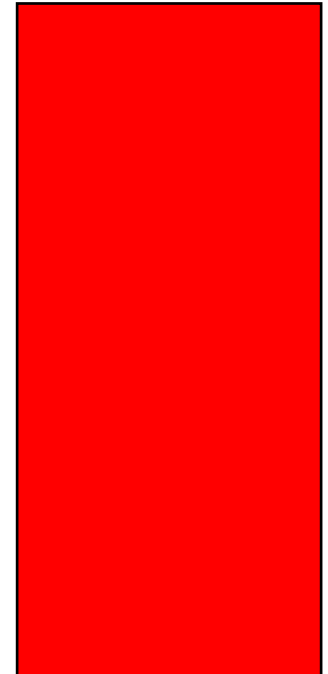
Student
Contribution



+

=

Student Aid
Index (SAI)





What about Merit-based Scholarships?

- Funds awarded on the basis of factors **other than** financial need
 - Academic factors
 - Talent factors
 - Service factors
 - (Fill in the blank) factors
- Procedures for being considered vary
 - Nomination process
 - Scholarship application
 - Admission application



What about Merit-based Scholarships?

- Do **ALL** colleges offer merit-based scholarships?
 - Position in higher education marketplace
 - Selectivity level
 - Allocation of resources
 - Philosophy
- Powerful scholarship candidates often
 - present a well-crafted application
 - demonstrate genuine interest in the college
 - are genuine & authentic in presentation of self
 - continue to challenge themselves through the finish line



What about Athletic Scholarships?

- Awarded by athletics department, not admission/financial aid office
- Both partial and “full” athletic scholarships can be offered
- Some schools offer athletics, but not athletic scholarships (D-III)



Questions To Ask About Merit and Athletic Scholarships

- Is the scholarship renewable?
- If so, what are the requirements for renewal?
- Will it affect my need-based aid eligibility?



What are the typical components of a financial aid award/package?

- **Gift Aid**
 - Grants (Institutional, Federal, and State)
 - Merit-Based or Athletic Scholarships
 - Funds not requiring work or repayment
- **Self Help**
 - Student Employment
 - Student Loans (at some schools)



How is need met?

Sample Aid Packages

	Centre	Public U.	Private U.
Cost	\$63,590	\$30,000	\$77,000
SAI	\$20,000	\$20,000	\$20,000
Need	\$43,590	\$10,000	\$57,000
Merit	\$25,000	\$0	\$0
Grant	\$11,290	\$2,500	\$54,000
Loan	\$5,500	\$5,500	\$0
Work Study	\$1,800	\$2,000	\$3,000
Total Aid	\$43,590	\$10,000	\$57,000
Total Paid	\$20,000 + loan + interest	\$20,000 + loan + interest	\$20,000



What are some payment options?

- Monthly payment plans
- Federal Educational Loans
 - Student (Direct Stafford)
 - Parents (Direct PLUS)
- Private Educational Loans



What if my financial circumstances change?

- Institutions **may** choose to apply professional judgement decisions at different times throughout year **or** wait until next annual filing
- **May** affect family contribution
- Communicate changes and have documentation prepared



FAFSA Simplification Changes

- To take effect 2024-25:
 - Reduced number of questions from 100+ to ~40
 - **Student Aid Index (SAI)** to replace Expected Family Contribution (EFC)
 - Reporting Parent determined by level of financial support
 - Income data transferred from IRS to ED



FAFSA Simplification Changes

- **To take effect 2024-25:**
 - New Pell eligibility criteria introduced to expand eligibility
 - Number of children in college no longer considered
 - Untaxed retirement contributions no longer considered
 - Child support received to be treated as an asset, not income
 - No required asset reporting if income is less than \$60,000
 - Business/Farm value must be reported
 - Increased Income Protection Allowance



Do you have any “consumer tips?”

- Consult your College Counselor
- Avoid scholarship programs and search services that charge fees
- Net Price Calculators
- Negotiation? Price matching?



Additional Questions?

Thank you for coming!

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