

Financial Aid Primer



How to Determine Financial Need

COA minus EFC equals Need

COA = COST OF ATTENDANCE

Cost of attendance includes tuition, fees, room and board, transportation, and other expenses.

- **Tuition** is the cost of your academic classes at college, and the cost that varies most among different colleges.
- **Fees** are smaller costs that colleges charge for general expenses such as student activities, Internet service, or use of laboratories.
- **Room and board** is the cost of a place to live (room) and your meals (board) if you choose to live away from home while going to college. After tuition, room and board is the next most expensive of college costs.
- **Transportation** is the cost of traveling to and from your home. If you go away for college, transportation costs will include plane, bus, train, or car expenses. If you commute from home, this is the cost of getting to class and back home every day.
- Other cost of attendance expenses include books, living expenses, and spending money. Living expenses include cell phone charges, laundry, and necessary groceries. Spending money can be used on things you like to do or buy.

EFC = EXPECTED FAMILY CONTRIBUTION

The **expected family contribution** is the amount students and their families are expected to pay toward college costs each year; this amount reflects an analysis of your family's overall financial strength. EFC is determined when a student and their family complete the FAFSA (Free Application for Federal Student Aid), the most important step in preparing for the cost of college. Students complete the FAFSA in their senior year of high school. Use the BigFuture™ EFC Calculator at collegeboard.org/efc to figure out your family's EFC. To find out more about the FAFSA go to <https://fafsa.ed.gov>. Beginning with the class of 2017, students may complete their FAFSA applications when the application window opens Oct. 1.

NEED = DIFFERENCE BETWEEN COA AND EFC

Need is the difference between the cost of attendance and the expected family contribution. The largest source of need-based financial aid is the federal government, but colleges, states, and private organizations also award need-based aid to students.

Remember: Financial aid can help you pay for college.

The key is completing the FAFSA and Profile.

COLLEGE COST VOCABULARY

Aid: Money awarded to students to help them pay for college. Financial aid can come in the form of gifts (scholarships and grants) and self-help aid (loans and work-study opportunities).

Room and Board: Combined cost of housing and meals for students who live on campus and/or eat in college-operated dining halls.

COA: Total cost of attendance at a college includes tuition, room and board, fees, transportation, and other expenses. COA is not the same for every college.

EFC: Expected family contribution is the total amount students and their families are expected to pay toward college costs for one academic year based on their income and assets.

FAFSA: Free Application for Federal Student Aid is the form completed by all students to apply for federal student aid. Students also complete a FAFSA each year they are in college.

Grant: Financial aid that doesn't have to be repaid and is usually awarded on the basis of financial need.

Loan: Money that a student borrows and has to pay back.

Merit: Aid most often awarded as a scholarship. Merit aid (scholarships) is usually based on need, academic achievement, or other qualifications (i.e., musical talent, athletic talent, gender, ethnicity).

Need: Difference between the total cost of attending a college (COA) and a student's expected family contribution (EFC). Financial aid grants, loans, and work-study will be offered by each college to fill all or a portion of the student's need.

PROFILE: Colleges want to understand the financial needs of each student and how they can help a student with college costs, so they may ask students for paperwork in addition to the FAFSA. The CSS/Financial Aid PROFILE® is another form that students may be asked to complete. Unlike the FAFSA, however, not every student will complete the PROFILE. The FAFSA remains the most important form for students to complete.

Senior: Students complete the FAFSA in their senior year of high school.

CHECK FOR UNDERSTANDING

1. **COA** means _____.
2. Name 3 items included in the **COA**:

3. **EFC** means _____.
** Note: Student and family Information on Income Tax forms will be used in calculating the EFC.*
4. **Need** is determined by the difference between the _____ and the _____.
5. When do students and families complete the **FAFSA**? _____

Begin planning for your college future at:

professionals.collegeboard.org/guidance/financial-aid/applications/fafsa