

“The single most important piece of advice I can give you if you are concerned about how you are going to pay for college is to spend a fraction of the time that you will devote to the admission process to determining your aid ‘standing.’ By aid standing I mean finding out if you are likely to qualify for need-based assistance at your colleges. Before you begin your college visits, enter your family financial information in an estimated family contribution calculator, compare the result to the cost of attendance, and estimate your need eligibility—YES, NO, or MAYBE—for each of your colleges. On your campus visit, make an appointment to see an aid counselor, show him your calculation, and ask what type of assistance might be available for someone in your need category” (*Don M. Betterton, Director, Undergraduate Financial Aid, Princeton University*).

The colleges use standard formulas in determining need, but there are also institutional variations in how these formulas are applied. In our resource list in “Principle Six,” you will find some good on-line calculators that will help you estimate your EFC and thus whether you would likely qualify for need-based aid at various institutions. Following is a worksheet you can use for an initial estimate.

ESTIMATING YOUR EXPECTED FAMILY CONTRIBUTION

	Annual Pretax Income				
	\$20,000	\$40,000	\$60,000	\$80,000	\$100,000
Assets	Family Size—EFC	Family Size—EFC	Family Size—EFC	Family Size—EFC	Family Size—EFC
\$20,000	3—\$220 4—\$0	3—\$3,200 4—\$2,000	3—\$8,700 4—\$7,400	3—\$14,800 4—\$13,400	3—\$20,400 4—\$19,300

Principle Five: Apply for aid

103

	5—\$0	5—\$1,300	5—\$6,200	5—\$12,200	5—\$18,100
	6—\$0	6—\$600	6—\$5,000	6—\$10,800	6—\$16,600
\$30,000	3—\$220	3—\$3,200	3—\$8,700	3—\$14,800	3—\$20,400
	4—\$0	4—\$2,000	4—\$7,400	4—\$13,400	4—\$19,300
	5—\$0	5—\$1,300	5—\$6,200	5—\$12,200	5—\$18,100
	6—\$0	6—\$600	6—\$5,000	6—\$10,800	6—\$16,600
\$40,000	3—\$220	3—\$3,300	3—\$8,900	3—\$14,900	3—\$21,700
	4—\$0	4—\$2,100	4—\$7,500	4—\$13,600	4—\$20,400
	5—\$0	5—\$1,400	5—\$6,300	5—\$12,300	5—\$18,100
	6—\$0	6—\$600	6—\$5,100	6—\$11,000	6—\$16,700
\$50,000	3—\$600	3—\$3,800	3—\$9,500	3—\$15,500	3—\$21,200
	4—\$0	4—\$2,400	4—\$8,200	4—\$14,200	4—\$20,000
	5—\$0	5—\$1,600	5—\$6,900	5—\$12,900	5—\$18,700
	6—\$0	6—\$900	6—\$5,700	6—\$11,600	6—\$17,300
\$80,000	3—\$1,400	3—\$5,100	3—\$11,000	3—\$17,100	3—\$22,900
	4—\$600	4—\$3,400	4—\$9,800	4—\$15,700	4—\$21,600
	5—\$0	5—\$2,500	5—\$8,600	5—\$14,600	5—\$20,400
	6—\$0	6—\$1,700	6—\$7,300	6—\$13,200	6—\$19,100
\$100,000	3—\$1,800	3—\$6,100	3—\$12,300	3—\$18,200	3—\$24,000
	4—\$1,200	4—\$4,200	4—\$10,900	4—\$16,800	4—\$22,700
	5—\$100	5—\$3,200	5—\$9,700	5—\$15,600	5—\$21,500
	6—\$0	6—\$2,300	6—\$8,400	6—\$14,400	6—\$20,100
\$120,000	3—\$2,500	3—\$7,300	3—\$13,400	3—\$19,300	3—\$25,100
	4—\$1,700	4—\$5,100	4—\$12,100	4—\$18,000	4—\$23,900
	5—\$600	5—\$4,000	5—\$10,800	5—\$16,600	5—\$22,600
	6—\$250	6—\$2,900	6—\$9,600	6—\$15,500	6—\$21,200

Source: Adapted from Peterson's Four-Year Colleges 2003. (Lawrenceville, New Jersey: Peterson's Publishing, 2002) p. 17.

Total cost of a college you are considering: _____

Your estimated EFC from table: – _____

Your estimated financial need: = _____

If your estimated financial need is zero or a negative number, then you probably will not qualify for need-based financial aid, unless there are other extenuating circumstances. If your estimated financial need is a positive number, then that is the amount colleges and the federal and state governments will try to meet through grants, scholarships, loans, and work-study awards.

If you are way out of the ballpark and your family earns too much to be considered for need-based aid at the colleges you are considering, then you should not apply for the standard need-based aid programs, most of which are financed by the federal and state governments. You or your parents might need to fill out forms or you may need to write extra essays to apply for certain merit-based programs funded by the state government or individual colleges. There is absolutely no penalty for filling out financial aid forms.

The worst thing that will happen to you if you apply for need-based aid and do not qualify is that the college financial aid offices will say no. The admissions office will make its independent decision on your qualifications for admission and may or may not accept you, but the fact that you applied for and were denied aid will not affect that decision. If you are well qualified for the college, the school may decide to allocate some merit-based financial assistance in your direction, figuring that some help might swing your decision toward their institution. Families who apply for need-based aid and do not qualify may be signifying that they are on the financial “bubble”—college is not unaffordable, but the pinch on the family budget will be painful.

This sheet has been duplicated with permission from the book "Paying for College: The Greenes' Guide to Financing Higher Education," by Howard R. Greene, M.A., M.Ed. and Matthew W. Greene, PH.D., published by St. Martin's Griffin, New York. Copyright 2004. ISBN 0-312-33337-4 □