

College Resources

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How Do I Know Which Financial Aid Package Is the Best?

Rarely, if ever, are financial aid packages uniform. Therefore, if you apply to multiple colleges, the award offers you receive will likely vary between schools. This is due to differences in cost of attendance, the particulars of each school's financials and the disparate needs of every student body. Of course, you and your family will have to closely sift through the specifics of each package and discuss which one best suits you. It is a complex process, especially since, in many cases, colleges can only partially meet your need. Adding to the confusion is the fact that every aid package might contain different kinds of assistance (grants, scholarships, loans and/or work study). So how do you know which is the package for you?

HOW DO I MAKE A FINANCIAL AID COMPARISON?

When comparing financial aid packages, the first item you must consider is cost of attendance for each school. In other words, you'll need to determine the figures for tuition and fees, room and board (or home maintenance allowance, if living at home), transportation, books and miscellaneous (personal) expenses. When gathering this information, make sure you are compiling data projected for the year in which you plan to enroll. After all, budgets change annually.

Once you have the cost of attendance at hand, it's time to analyze the actual award package. You need to sort through the offer and figure out how much is in the form of scholarships or grants (these carry no repayment), how much is comprised of loans (require repayment) and how much is awarded through a college's work-study program. We recommend you fill out the worksheet below to help in your assessment. The differences in the quality of financial aid offers will quickly become apparent.

		College A	College B	College C	College D
1	Tuition & Fees				
2	Room & Board				
3	Books & Supplies (estimate)				
4	Transportation (estimate)				
5	Miscellaneous (estimate)				
6	= Total Cost of Attendance				
7	Grants & Scholarships (sum of all funds offered by the college that are not loans or salary for hours worked)				
8	Discounted Cost of Attendance (line 6 minus line 7) This represents the actual cost to the family.				
9	Work-study awards				
10	Total annual cost to the family (line 8 less line 9) The amount that the family will have to pay annually or finance over an extended period of time.				
11	Total loans offered by the college				
12	Total annual "out-of-pocket" cost to the family (line 10 less line 11)				
13	Total family contribution from the "Student Aid Report" returned as part of the FAFSA filing				
14	Gap between cost of attendance, financial aid offered and family contribution (line 12 less line 13)				

Line 12 shows you how much your family will have to pay out-of-pocket for the year. Many families determine that the amount required is greater than they can reasonably pay from earnings and/or savings. Some families choose to negotiate additional loans, thereby spreading out the annual payments over a longer period of time. Keep in mind, loans (item 11) may reduce your annual out-of-pocket costs, but these funds do not reduce your overall cost. Loans require repayment over time with interest.

Line 14 shows whether or not the school plans to meet all of your demonstrated need. If the number is positive, the school has met all of the need except for the figure in this box. If the number is negative, the school has met more than your demonstrated need.

It's vital that you understand all of the information and terms included in each package. If you are confused about anything, we recommend you call the financial aid office for that particular university.

College is certainly an expensive investment and it's important to be a wise and informed consumer. You want to feel confident in your decision and fully comprehend what you're undertaking. Of course, filling out the worksheet above does not answer the question, "Which college should I attend?" While financials are a huge factor, you might ultimately decide that the school that best meets your needs and interests is the one that gave you the least attractive aid package.