



Financial Aid Primer

The U.S. Government's Formula for Federal Financial Aid Is:

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 types of colleges.
- **Fees** are smaller costs that colleges charge for general expenses such as student activities, Internet services, or use of laboratories.
- **Room and board** (if you choose to live away from your home while you attend college) is the cost of a place to live (room) and your meals (board). 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 your home every day, 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 to go out with your friends.

EFC = ESTIMATED FAMILY CONTRIBUTION

The Estimated 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 circumstances. The information used to determine EFC is based on a student and their family completing the FAFSA (Free Application for Federal Student Aid) and is the most important form to complete as a student prepares for the costs of college. Students complete the FAFSA in their high school senior year.

NEED = DIFFERENCE BETWEEN COA AND EFC

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

Remember:
Financial aid is available.

The key to managing the cost of college is to complete the FAFSA!

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 from their income and assets for one academic year.

FAFSA: Free Application for Federal Student Aid is the form completed by all students to apply for federal student aid. Students 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: The 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: Besides the FAFSA, students may be asked by a college to complete additional paperwork. Colleges want to understand the financial needs of each student and how they can help a student with college costs. The CSS/Financial Aid PROFILE® is another form that students may be requested 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: The senior year in high school is when students complete the FAFSA.

CHECK FOR UNDERSTANDING

1. **COA** means _____.
2. Name three items that are 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 taking the difference between the _____ and the _____.
5. When do students and families complete the **FAFSA**? _____

Begin planning for your college future at:

www.professionals.collegeboard.com/guidance/financial-aid/applications/fafsa