Applying for Aid

The aid process can seem overwhelming at times, but there are only three major steps.

Step 1: Introducing the FAFSA
The first and most important step is to complete Free Application for Federal Student Aid (FAFSA), an online form that every student seeking aid must complete. The form determines your official Expected Family Contribution to the cost of college – the amount you will be expected to pay from savings and/or income. This application is used by all schools and state agencies to award funds, and not just federal funds. You can find the FAFSA at www.fafsa.gov.

The application asks for demographic information about you and your family, about income for the previous year, and about the assets you and your family have at the time of application. For many people, most of the questions are not relevant. So don't believe all the hype that it's difficult or complex to apply for aid.

Most schools and states require the FAFSA to be completed in the winter prior to the fall school year, and some deadlines are as early as mid-February. So be sure to check on school- or state agency-imposed deadlines for priority. The FAFSA cannot be completed until after October 1 of the year preceding enrollment in the fall.

If you need help, the FAFSA website offers help via online chat, phone, and email. Your school's financial aid office may also be able to help. If you are confused or unsure about the FAFSA, we urge you to seek help – mistakes will delay the aid process or even cause you to receive the wrong amount of aid.

After submitting the form, you will receive your Student Aid Report by mail in a few weeks. Here you will learn your official Expected Family Contribution. The results will also be sent to the schools you listed on your FAFSA. The first thing you should do when the Student Aid Report arrives is to check it for errors. If an error was made, it may be more difficult to qualify for aid. On the other hand, if the errors are in your favor, you could be penalized later for not correcting them.

Please keep in mind that schools have formulas for calculating financial aid that may yield different expected family contributions. Other schools may require additional documentation of income or assets.

Step 2: Complete Other Forms
The second step is to check to see if the school you will be attending requires an additional application. Hundreds of schools require students to complete the CSS PROFILE, an online application that is more extensive than the FAFSA. Your school will let you know if the form is required when you apply for aid.

Step 3: Compare Options
Finally, once the schools (and/or state agency) receive your financial information, they will issue an award based on your EFC and cost of attendance. Usually you are awarded a combination of aid types, hence the term "financial aid package." In some instances your entire financial need will be met with this package. In many schools that is not possible, so you or your family have to come up with additional funds to meet the gap – through scholarships, savings, private loans, and other sources of aid.

Comparing financial aid awards requires that you calculate how much of the cost will be from your family's pocket in the form of loans – not just the amount of grant aid.

On the other hand, major decisions like which college to attend should not be based strictly on how much or which type of financial aid you receive. That can be one factor, certainly. But if you're not very challenged at a school that gives you a little more grant aid than your first choice, was that really the best decision? Only you can say.

As a general rule of thumb, if your total education debt, including all loans and credit card debt, is more than your likely starting salary, you should probably consider a less expensive school.

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