



Financial Aid

To understand the financial aid process you have to first understand that the basic principle of financial aid and that is, "parents are responsible for the education of their child, to the extent possible." In financial aid the "extent possible" is known as Expected Family Contribution (EFC). Your EFC is calculated by a complex formula that is controlled by the US Department of Education. Generally, the formula calculates a contribution from parent income and assets and student income and assets. In order to gather the necessary information required to calculate your EFC all students must complete the Free Application for Federal Student Aid (FAFSA). The FAFSA does not measure how much financial aid you will receive. It is measuring, based on the federal formula, what you and your parents can contribute to the cost of education. The information from your FAFSA, as well as the calculated EFC, is released to all of the colleges that you list on the FAFSA. To determine your financial aid eligibility the colleges subtract your EFC from their cost of attendance. Cost of attendance includes tuition and fees, room and board, an allowance for books and supplies, miscellaneous, personal and travel expenses. The following chart illustrates how your financial aid eligibility is calculated. As you can see, college costs can vary. However, your EFC remains the same regardless of the cost of the school. The federal government, state government and colleges will assist you by providing financial aid in the form of grants and scholarships, student loans and student employment, to meet all or some of your financial aid eligibility. This example illustrates why you should not eliminate applying to a college based only on its cost of attendance.

If you would like more information about the college financial aid process, give us a call, or better yet, stop by and we will be happy to help you.

	School 1	School 2	School 3
Cost of Attendance	\$20,000	\$30,000	\$40,000
(Minus) EFC	-\$10,000	-\$10,000	-\$10,000
Financial Aid Eligibility	\$10,000	\$20,000	\$30,000

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