



FPP Virtual Session – June 2018
How To Assist Students in
Evaluating Financial Award Letters

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FLORIDA PROSPERITY PARTNERSHIP



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FLORIDA PROSPERITY PARTNERSHIP

Who/What is FPP?



FLORIDA PROSPERITY PARTNERSHIP

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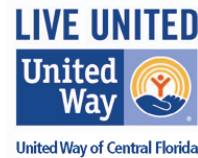
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The College Place

How to Assist Students in Evaluating Award Letters

Presented by: Lori Auxier, Director of Student Success

ECMC

Session Objectives

- Participants will gain an understanding of:
 - First step
 - Award timelines
 - Interpreting an award letter
 - Net price versus net cost
 - Award letter examples

First Step

- Filing the Free Application for Federal Student Aid (FAFSA) online at www.fafsa.gov is the first step to receiving an award letter

Award Timelines

- Upon receipt of the Institutional Student Information Record (ISIR), the school will complete a review of the document
- Once the review is complete, a financial aid package will be completed and offered to the student
 - Note: The school may contact you during the review process for additional information

Interpreting an Award Letter

- Know your school's total cost of attendance
 - Review award names and award requirements carefully
 - Grants and scholarships do not have to be repaid; often referred to as gift aid
 - Loans do have to be repaid
- Determine net price and net cost

Calculating Net Price

- Review the school's total cost of attendance
 - Watch for unrealistic costs
- Review award letter and determine what is GIFT AID (grants or scholarships that usually do not have to be repaid)

$$\text{NET PRICE} = \text{Cost of attendance} - \text{gift aid}$$

Calculating Net Cost

- Review the school's total cost of attendance
 - Watch for unrealistic costs
- Review award letter and determine what is GIFT AID (grants or scholarships that usually do not have to be repaid) and what are LOANS (do have to be repaid)

NET COST = Cost of attendance - all financial aid awards

Net Price versus Net Cost

- Research each school as net price and net cost can vary from school to school

Net Price Examples

College A		College B	
Cost of Attendance	\$15,000	Cost of Attendance	\$25,000
Gift Aid	\$5,900	Gift Aid	\$15,000
Loans	\$5,500	Loans	\$5,500
Net Cost	\$3,600	Net Cost	\$4,500
Net Price	\$9,100	Net Price	\$10,000

Revised Net Price Example (College A)

College A		College A (while living at home)	
Cost of Attendance	\$15,000	Cost of Attendance	\$5,000**
Tuition	\$3,500**	Gift Aid	\$5,900
Room/Board	\$6,500*		
Books/Supplies	\$1,500**		
Transportation	\$2,500*	Net Cost	-\$900
Other	\$1,000*	Net Price	-\$900

Revised Net Price Example (College B)

College B		College B (while living at home)	
Cost of Attendance	\$25,000	Cost of Attendance	\$7,500**
Tuition	\$5,500**	Gift Aid	\$15,000
Room/Board	\$12,000*		
Books/Supplies	\$2,000**		
Transportation	\$3,000*	Net Cost	-\$7,500
Other	\$2,500*	Net Price	-\$7,500
	*		

Private or Out-of-State Net Price Example

Private College C		Private College C	
Cost of Attendance	\$44,000	Cost of Attendance	\$44,000
Tuition/Fees	\$23,500	Gift Aid	\$25,000
Room/Board	\$12,000	Student Loan	\$5,500
Books/Supplies	\$2,000	Federal Work-Study	\$5,120
Transportation	\$3,000		
Other	\$3,500	Net Cost	\$8,380
		Net Price	\$13,880

Net Price Limitations

- Main limitations of net pricing:
 - Front-end loading
 - Displacement of outside scholarships

It's ok to ask the school about their policies regarding front-end loading and outside scholarships.

Confusing Award Letter Example

Estimated Cost of Attendance		Financial Aid Package	
Tuition	\$42,000	FED Pell	\$5,000
Fees	\$3,000	FED Perkins	\$2,500
Total Direct Costs	\$45,000*	FED SEOG	\$2,500
		FED SUB Staff	\$3,500
		FED UNSUB Staff	\$2,000
		College Merit	\$8,000
		FED Parent PLUS	\$10,000
		Total Financial Aid	\$33,500
		Expected Net Cost	\$11,500

Improved Award Letter Example

Estimated Cost of Attendance		Financial Aid Package	
Tuition	\$42,000	Gift Aid:	
Fees	\$3,000	FED Pell	\$5,000
Room/Board	\$9,000	FED SEOG	\$2,500
Books/Supplies	\$2,500	College Merit	\$8,000
Transportation	\$2,500	Net Price	\$46,500
Other	\$3,000	Loan Options:	
		FED SUB Staff	\$3,500
		FED UNSUB Staff	\$2,000
Total	\$62,000*	FED Perkins	\$2,500
		FED Parent PLUS	\$10,000
		Net Cost	\$28,500

Additional Resources

- ECMC Student [Resources](#)
- ECMC Educator [Resources](#)
- ECMC College Access [Centers](#)
- College Board [Net Price Calculator](#)

Thank You!

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